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WEST EUROPE REPORT

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SPD'S BAHR ON ARMS CONTROL, NUCLEAR, CONVENTIONAL WEAPONS

Bonn WEHRTECHNIK in German Jun 82 pp 15-18

[Interview with SPD disarmament expert Egon Bahr by WEHRTECHNIK publisher Manfred Sadlowski and editor-in-chief Wolfgang Flume: "The Arms Control Story Is Not a Great Success Story"]

[Text] During the past few months in particular, excitement concerning NATO nuclear modernization plans in Europe and the arms control negotiations closely linked to them has been high in the FRG above all. More or less radical "peace movements" with strong anti-American overtones to some extent and claiming to be absolutely right have called for renouncing modernization, for establishing nuclear-free zones in Europe and are playing on the fear of nuclear war, if the West actually deploys medium-range weapons. Against this background, opinions in the SPD are divided to some extent. In this situation, WEHRTECHNIK recently conducted an interview with SPD disarmament expert Egon Bahr who spelled out and explained his party's official position.

[Question] Mr Bahr, you played a decisive role in the conclusion of the treaties with the East European countries; you were SPD general manager and now you are your party's disarmament expert, as it were, and are also in charge of the working group on arms exports. Could you tell us how this career came about ?

[Answer] I would call it a logical career. I realized early on that East-West relations could not be stabilized over the long term, if defense issues were not included. After my work on development aid and as general manager, I returned to this point of view and both as a member of the SPD executive committee and as a member of the foreign affairs committee I said from the outset that we would have to lay stress on arms control and disarmament. I was then elected chairman of that subcommittee and was asked by the fraction to take on the chairmanship of the arms export group.

[Question] Did you have any influence on how this group was constituted ?

[Answer] No. The group was made up of a variety of people—foreign policy experts, economic experts and then there were people who were very favorably disposed in principle to arms exports and others who were just as decidedly against it.

[Question] Some time ago, there was talk of setting up a disarmament commission. Your name was mentioned in that connection. How far along are these plans ?

[Answer] I don't think this is of immediate interest at the moment. When you get right down to it, these are issues that concern the overall policies of a government or a coalition. I am very skeptical about the chances of creating an office of a disarmament commissioner. In the United States, there is an independent disarmament agency that has direct access to the President but that is part of the State Department in every other respect. The fact that there is such an agency has no bearing on the direction and thrust of the ideas it espouses.

[Question] Just recently, you were made a member of SIPRI, the Stockholm peace research institute. How much of an influence will you be able to exert there ?

[Answer] I cannot answer that. The first meeting I will participate in will not be until the end of April.

[Question] But the fact that you accepted does indicate that you consider SIPRI a bona fide institution. What do you think its usefulness is ?

[Answer] SIPRI as well as the IISS in London are two international institutes that are doing really serious work. I think they are useful in that they are in a position to examine and evaluate the available material independently—apart from their governments. Other than that, we depend on figures in this field which primarily come from the Americans and are also selected by them.

[Question] There is no comparable institution in Germany. Would you be in favor of establishing one ?

[Answer] Yes; without any qualifications. I think it is terrible that we are a developing country in this field. One could safely say that conflict research is in a bad way in our country. I would be in favor of setting up a internationally reputed institute in the FRG. There is a whole array of such institutes in America that could be called think tanks—not only in the field of peace research but also in the examination of new ideas in the field of security policy.

[Question] Given the present political polarization in Germany, do you think the two political camps could possibly agree on such an institute ?

[Answer] It would be a sad thing, if they could not.

[Question] It was interesting for us to see that you started your professional career at Rheinmetall-Borsig in Berlin during the war. Did this job in industry have any kind of an influence on your later life ?

[Answer] As an industrial clerk, I learned a good deal about management and cost effectiveness—and I know how important that is.

[Question] We, however, are under the impression that at least part of the SPD fraction suffers from a kind of "industrial complex" and that it does not have as much of an understanding of economic matters such as for instance that a particular industry must make a profit in order to come up with innovations and to stay competitive. Is that the way you look at it, too ?

[Answer] No. What I do see is that the SPD fraction and the party as well are skeptical so as not to say a bit reluctant when it comes to profits for business. One has to differentiate between profits for businessmen and profits for business.

[Question] What do you think are the reasons why we have not been able to come up with an arms control agreement—to say nothing of a disarmament agreement ? Would it not have been possible for the East to do something other than to arm continually at a time when the West was doing relatively little arming of its own over the past several years ?

[Answer] One has to admit that the arms control story is not a big success story. All sides have more arms without being able to say that they have gained more security. The question, after all, is what armaments and defense efforts are good for. They are good for offering security. Now what is the reason why all the efforts toward arms control—to say nothing of arms limitation—have not succeeded ? One of the decisive reasons, I think, is this: that different weapons systems of different quality are being built by different sides at different times. The Russians developed the SS 20 at a time when the West had no comparable weapon. They pulled ahead in production and thereby not only modernized their SS-4's and SS-5's—which would have been legitimate—but they introduced a new quality factor. At a later date then, the West countered by developing the Pershing II which is to continue in use until the end of the eighties. But this new weapon not only constituted a response but introduced a new quality factor. Now if this process continues, the Soviet Union would develop a response to the Pershing II by the middle eighties and that new system would project into the middle nineties. These asymmetrical developments in terms of time and quality make it difficult to call a halt. Thus, we also have to define the difficulty of determining what constitutes balance, if everything is constantly changing on all sides.

[Question] In order to make negotiations or even arms limitation possible, NATO adopted the so-called double-track resolution. But this decision is not without its detractors in Western Europe and in your party. But doesn't it offer the only chance to get to arms limitation ?

[Answer] In my view, there is a need for the double-track resolution and that is the basis on which we must negotiate. If we tell the Russians we are prepared to negotiate ad infinitum in principle and will do nothing while the negotiations are going on, then the Soviet Union has achieved its ends without even trying. That is why we must set a limit without a doubt beyond which we will act. If we say we are interested in the zero option, then we must apply pressure on both sides by telling them that there is a certain point at which we will have to decide to evaluate the result of the negotiations as they then present themselves. That is the SPD's point of view.

[Question] You have some experience in negotiating with the communists. Do you believe one can have any faith in promises or agreements made with the Soviet Union, even without guarantees and control mechanisms ?

[Answer] If we do not believe we can negotiate with the Soviet Union and obtain results, then we should not negotiate with her at all. Arms control agreements are easy to monitor. Inspection of ICBM's from space, for instance, functions very well indeed. But there are other agreements where that is not so easily done. Those are political agreements, if one wants to call them that. Why does the 4-power agreement work so well ? Because it defines the interests of both sides correctly and places them in a proper balance. For as long as the interests of all concerned remain as they were set down in the agreement, it will continue to function.

[Question] But is there not a danger when one considers the fact that Soviet ideology is still directed toward world revolution ?

[Answer] That goal is still there, yes. As a believer in democracy, I think it would be best, if the whole world turned toward democracy. For that matter, the self-conception of democracy is comprehensive; it spans the whole world. The decisive point, however, is this: I do not want to see either goal achieved worldwide by force of arms. In other words, I am not worried about Soviet ideology but about Soviet armor. And for that reason we have to see to it that we do not have to live under the threat of force and are free from the use of it. For this purpose, we have an alliance and we have deterrence. Of course one was safest as long as one was strong and could hit the other side over the head and could eliminate the threat in that way. But when one could not do that on one's own, one went looking for allies. And the other side always did likewise. The result is a matter of record; it is the history of war. What is new about this situation is that one can no longer hope to win. The new situation arose as a result of what in America is called "mutually assured destruction;" in other words, an absolutely sure second-strike capability which is tantamount to mutual destruction. From my point of view therefore, it is not a question of more security from or against a potential adversary but of more security together with him. I must assume that the other side, too, is not aiming to commit suicide and will therefore react in a rational manner.

[Question] But is it not a disappointment to you as a detente politician that the Soviets continued to arm despite detente—to a much greater extent than the West—and that the Russians took advantage of the free areas not covered by arms control negotiations to expand their military potential ?

[Answer] Not in the least. Let me just point one thing out: detente works only in those areas where there are agreements. We concluded arms agreements in that particular region and in those sectors where there is the highest potential for destruction—namely Central Europe. Now that works because the interest of both sides requires it. If there are areas not covered by agreements, I can see both sides trying to use them for their own advantage and to fill out the empty spaces. The Soviet Union is arming in the medium range missile field which was not covered and the United States is doing the same in the sea-based cruise missile field.

[Question] Do you consider the cruise missiles with a range of more than 600 kilometers as equivalent to the Soviet medium range missiles ?

[Answer] Of course. In principle, they are the same and aside from that, my assumption still is that we have overall parity. I can even see a number of areas where the West is superior. For instance, more than two-thirds of the U.S. intercontinental systems are sea-based—which means they are mobile and hard to find; but more than two-thirds of the Soviet capability is land-based and stationary.

[Question] But that is not a constant ratio. The Soviets also have sea-based delivery systems.

[Answer] Yes; but I must start with what there is at the moment. I am as convinced as I ever was that the industrial and economic strength of the West far exceeds that of the Soviet Union and that we will remain to be ahead of the Soviet Union in the foreseeable future both in technology and economic strength. In my opinion, the Soviets enjoy a superiority in conventional arms. In Europe, this interests us—so as not to say worries us—in particular. We offset Soviet superiority in conventional arms by our tactical nuclear weapons—I believe that that is so. I do not think and cannot see an attack by the Soviets being something like an afternoon walk without grave risk for them. That is what I am aiming for within the context of parity. I cannot match them tank for tank; I must look at the effect and the risk for a potential aggressor.

[Question] As long as the Soviets enjoy conventional superiority, you ought to be very strongly opposed to a nuclear-free zone in Europe.

[Answer] It is our goal to abolish nuclear weapons. As far as a nuclear-free Europe goes, I do not think that the Soviet Union or France and Great Britain will be giving up their nuclear weapons anytime soon. There cannot be any plan which leaves these elementary facts out of consideration. I can make a decision on my own at any time calling for a better world—but that will not make much of an impression on anyone.

[Question] So you also feel that we have peace in Europe because of the nuclear weapons or the balance of terror. Would it not be a worthwhile task for a politician to go out into the country and tell all those who are afraid or merely profess to be that we have peace because of nuclear weapons ?

[Answer] That is right and it is wrong, too. It is correct to say that peace has been preserved through deterrence, through nuclear deterrence, through the nuclear balance of terror. That is a strong argument and it has a bearing, I think, on the fact that there have been situations in Europe over the past 30 or 35 years which could have led to war in the absence of nuclear deterrence. It cannot be proven; but for me, it is still a strong argument. Along with it, however, there is another development—namely the miniaturization of nuclear weapons...

[Question] ...going in the direction of the neutron bomb ?

[Answer] That, too! The two superpowers know of course what capabilities they have and have therefore been trying to neutralize these vast arsenals—which is to say to balance them. This is in their own interest; but they failed to put a cap on medium-range and smaller missiles. That is how the debate got started here—the European concern about being left out; the question whether it is conceivable that a limited war can be waged. Essentially, NATO strategy does include the concept of trying at least to limit a conflict, if no way of preventing it can be found. That is the real reason for the concern prevailing not only in the FRG. And the result is that the miniaturization of nuclear weapons does not automatically lead to greater security.

[Question] Weren't we accepted into the club of nuclear powers when the Bundeswehr obtained nuclear weapons systems during the Strauss era and hasn't that been protected like a thing of value throughout the grand coalition and the socialist-liberal coalition as well ?

[Answer] No. I would emphatically deny that latter contention. We were not taken into the nuclear club and we are not a quasi-nuclear power—we are a non-nuclear country. Everything that figures as participation in nuclear decisions amounts to a fig leaf more or less or to psychological ornamentation. The decision to use nuclear weapons rests with those alone who have these weapons. And there is no one prepared to cross that threshold and that includes the United States, France, Great Britain and the Soviet Union—in short, the nuclear nations that are of interest to us are not prepared to share the decision on using these weapons with others. You must not forget that this realization led De Gaulle to establish the French 'force de frappe' as an independent nuclear strike force.

[Question] You say that making nuclear weapons smaller does not automatically lead to greater security. Doesn't that mean that there would have to be an immediate intercontinental missile response to any European conflict ?

[Answer] Those that have these weapons say no. We here in the center of Europe are not in a position to decide what weapons the Americans should use in such an instance. The Americans tell us that the Europeans could not call upon them in case of a limited, local conflict—let us assume there was an attempt to take Hamburg, an altogether theoretical example—to respond with a strike that places the very existence of the United States at risk. I have to accept that.

[Question] To ward off the attack, it would have to be in our interest that the Americans use the right means immediately. Isn't a small nuclear weapon better suited in a way to limiting a conflict than the threat to use the big hammer immediately?

[Answer] In such a case, there is a danger of a limited conflict—a conflict limited to Europe. We don't think it is a good idea at all for the big powers to get into a situation at the end of such a conflict where they might say: "Oh my God, Europe is kaputt—but that is the end of the matter."

[Question] But isn't the other possibility the immediate outbreak of a great world war?

[Answer] There are intermediate steps—in the medium-range missile area, for example. One response also is the Soviet strategy which says that there would be no limitation—there would hardly be a regional limitation or one that applies to Europe. If the conflict has turned nuclear, it will be waged as a nuclear conflict at all levels. Under those circumstances, the Americans could no longer believe that they could remain on an island. Thus, the Soviet doctrine calls for total political deterrence. I can only say that the two strategies cannot be reduced to a common denominator in theory and we can only hope we will never find out which one actually worked.

[Question] Then how can a limited conflict be avoided?

[Answer] A limited conflict can be avoided militarily, if the defender has at his disposal the choice of means including the operational choice to meet every conceivable attack.

[Question] Now since an attack would start out as a conventional operation...

[Answer] Who says so? That is the whole purpose of the deliberations. Who is to say that it would start out as a conventional operation?

[Question] Do you think the Soviets would issue the threat to use nuclear weapons right away?

[Answer] Yes, why not. Who can say that they will act as we can read it in the newspapers or as NATO says they will. I believe that it is not possible or at least highly unlikely that a conflict can be limited to Europe. And I do not think that the Soviet Union would spare its main adversary under such conditions—but one cannot be perfectly sure.

[Question] When you say that a conflict in Europe is bound to turn nuclear, do you base that on Soviet strategy or on the desire of the Americans to introduce smaller nuclear weapons here ?

[Answer] I cannot see us in a position where we can build up a conventional deterrent that is sufficiently powerful. NATO strategy, too, calls for first use of nuclear weapons by our side in such a situation.

[Question] You recently wrote in *VORWAERTS* that you held to your position that the neutron bomb represents a "perversion in thinking." And you also said that conventional anti-tank weapons could achieve the same ends as neutron bombs...

[Answer] Let me first say this: When I made that statement some time ago I had just been working on a study on the meaning of social democratic policy. At the core of that policy is our concern that every individual can develop his capabilities in dignity—which is to say that the individual is what it is all about. Soon after that, I received a message from Brussels which said: "The introduction of the neutron bomb has been decided upon and it is the progressive feature of this weapon that it kills human beings primarily and leaves property intact." Now if you call that progress that human beings are destroyed and property is not, then I call it perversion.

[Question] But doesn't all that apply to the combat area, the forward area ?

[Answer] At that time, word was that the neutron bomb meant progress. That was what the announcement said and that was the reaction to it. And at that time, we did not debate the military sense of it but talked about it from an ethical standpoint only. In that regard, I hold to my opinion. I admit that one can look at it in other ways. But as far as the military side of the matter is concerned, I still arrive at a negative result. First, the neutron bomb is not a purely defensive weapon but is also an ideal weapon for an aggressor who wants to clean out the defenders from a certain area which he subsequently means to occupy. I am in no position to assume that we in the West will have and retain these weapons for our exclusive use. There has never been anything like that throughout history. I must assume that the Russians have it too or have developed it and can produce it. Secondly—and that is far more important—if we use 203-mm howitzers to fire the neutron shells, then we are talking about a range of 25 to 30 kilometers or roughly speaking one tank hour. Now this means that the decision to cross the nuclear threshold must be made in the forward area and very quickly. This lowers the nuclear threshold—which cannot be our political-strategic aim.

[Question] You once said something along the lines of not handing the military any more new technologies, if one really wanted to achieve disarmament. Now if one sees the R & D funds in the defense budget being drastically cut at the same time, one is forced to view it as the start of unilateral disarmament.

[Answer] The first step toward arms limitation can be qualitative but not unilateral. We cannot have one side halting improvements while the other side does what it pleases. A qualitative halt to arms would be a very sensible thing. Both sides, after all, have enough weapons. Just imagine we went into space, developing laser weapons and destroying all electronic equipment with the aid of nuclear explosions at great heights...Sometime a point will be reached where technical, qualitative improvements will lead to total immobility. I do not see a breakthrough for either side which would enable it to wage a conflict at supportable risk. That is why a qualitative halt in armaments is a possibility to be considered but not, as I said, a unilateral one. To get there, one would have to negotiate with the other side. These are issues then that reach farther and that have nothing to do with the problems concerning the R & D funds in the defense budget. That came about as a result of the budget situation as a whole and had nothing to do with long-range deliberations about a qualitative halt to armaments.

9478

CSO: 3103/581

BIG PETROLEUM WELL DISCOVERED

Athens TA NEA in Greek 17 Jun 82 p 1

[Text] "Clean" petroleum with a minimum of sulfuric content and completely different from that of Prinos lies in the new deposit which the "Votengo 3" drill located night before last at the depth of 2,800 meters in the "North Prinos 1" well.

The work, after a short interruption, is continuing regularly since yesterday morning until it will be completed at 3,500 meters when there will follow burning trials at the corresponding depths.

According to the information, there is a possibility that the new field may be larger than that already known at Prinos and almost the same in size to that located years ago in the sea area between Thasos and Samothraki. Technicians (specialists of the North Aegean Petroleum Company) told NEA yesterday that there is a possibility that at 3,200 meters there may be a second geological stratum of hydrocarbons because of the continuing escape of large amounts of natural gas and the pressures are high despite the technical measures taken.

The data registered by the electronic instruments of the drill show that there must be something good at a greater depth and perhaps, more oil.

9731

CSO: 4621/408

PETROLEUM DRILLING IN KERKYRA

Athens ELEVTHEROTYPIA in Greek 18 Jun 82 p 8

[Text] The Italian state company AGIP will perform land drilling in Paxos in late September or early October. Based on the agreement which has been concluded, the government, in the eventuality of the discovery of substantial deposits, will take 81 percent of the output and the Italian company 19 percent.

Yesterday, under the chairmanship of the minister of Industry, Mr. An. Peponis, a conference took place with the participation of DEP [Public Petroleum Corporation] and representatives of the local self-government of Paxos and Kerkyra. The object of the conference was the better protection of the environment of the islands during the drilling.

On the other "front," north of Prinos, where petroleum was discovered, the officials of the North Aegean Petroleum Company have begun as of now to plan for the exploitation of the probable deposit. They calculate that the new installations needed for pumping will only cost one-third of the Prinos installations in view of the fact that the petroleum there is "sweet," that is with no hydrosulfuric content. In addition, it will be possible to load the output directly from the installations without having to channel the oil to the shore first as is now done in Prinos.

The drilling will stop at 3,500 meters (at the end of the month the definite estimates of the amount and quality will be made by means of the burning tests) and in the future the "Votengo" floating drill will drill west of Thasos, where in 1972-1973 another petroleum deposit had been discovered.

9731

CSO: 4621/408

NO NEW PETROLEUM DRILLING PERMITS TO BE ISSUED

Athens AKROPOLIS in Greek 22 Jun 82 p 2

[Text] The Ministry of Industry and the DEP [Public Petroleum Corporation] will not issue new permits for exploratory drillings or exploitation to the group of four companies to which have been given the rights to exploit the petroleum of Thasos if beforehand they do not accept the modification of the 1975 agreement.

This was announced yesterday by the minister of Industry, Mr. Peponis, who added:

"The ministry yesterday sent a letter to the group of four companies to name representatives for the immediate opening of negotiations for the revision of the 1975 agreement so that the Greek government may participate through the DEP in the decision-making and in every exploration or exploitation of the deposits in the North Aegean."

"It is evident," the letter emphasizes, "that the exploration and exploitation of these deposits is of vital importance for the energy economics, while, at the same time, it is connected to national security matters."

"Besides this though, there is another serious matter: it is the tremendous apparent investment expenses and the non-observance of effective safety and protective measures of the environment. It must be noted that the ministry has for some time now notified its intention for the revision of the agreement, but the representatives of the companies refused to answer."

"The goal of the ministry is the immediate opening of negotiations for the drafting of a new agreement which is mutually acceptable."

9731

CSO: 4621/408

WESTERN TECHNOLOGY APPLIED TO EAST BLOC MILITARY AIMS

Bonn DIE WELT in German 24 Apr 82 p 6

[Article by W. Grosse: "Computer Searches for Oil Sources and Signals for Antisubmarine Warfare"; this article is the second of a series by the same author that has been translated]

[Text] Without damaging trade with the East, how can the West prevent the use of advanced technology for Soviet arms and for the East bloc's military potential?

Although between 1971 and 1980 the FRG exported highly developed technology worth more than \$4.5 billion to the Soviet Union alone, the security aspects of such transfers were not discussed in Germany.

The export of highly developed technologies to the Warsaw Pact nations influences the military potential of these countries directly and indirectly. On the other hand, these transfers have a considerable effect on the defense and arms control policy of NATO.

In general, Western technology import to CEMA countries is supposed to lead to a positive influence on macroeconomic production function and thus also on the national product in communist economies. Without effective economic reforms, the archaic economic and social system of the East Bloc could not utilize the growth impulses coming from technical progress. In spite of massive infusions of capital and technology, the economic situation of the CEMA countries is more desperate today than it was at the beginning of the 1970s.

Considering the risk factor relevant to NATO, the concentration of technology import and technology use is more significant than the economic growth in the East. For example, the level reached in electronics is not only interesting for the Soviet Union in terms of the overall economy, but it also gives new impulse to the development of the arms industry and military technology.

Even before the occupation of Afghanistan, there was no longer any doubt that Soviet foreign and security police showed an increasing appreciation of military power. If this trend continues, and the socioeconomic significance of the military and its potential continues to increase, the political use of military power could grow precariously.

But if the Western opinion that the distribution of resources, production goals and research programs of the Soviet Union are primarily oriented toward expansion of power in international relations holds true, then political leaders in the NATO countries must place restrictions on their economic systems. This means that the West needs a coordinated foreign-trade and credit policy toward the countries it trades with.

Legal Trade and Technology Embargo

Based on the differing interests and motives of Western nations and enterprises, it can be assumed that a technology embargo against the East--in the absence of a military conflict between NATO and the Warsaw Pact--is only illusion and speculation. There remains only one possibility for Western governments to preserve their security policy against the Soviet Union and the Warsaw Pact without greatly affecting the interests of pressure groups favoring trade with the East, such as the steel industry, construction firms and wheat farmers, to control the export of highly developed technology. This affects only the technological time-lags or certain qualitative advantages of Western military technology, but has hardly any effect on the quantity of Soviet arms.

In spite of tremendous Soviet investments of research and development in the civilian sector, the gap between the Soviet Union and the industrialized West has remained. In a few sectors, the gap has widened. One explanation for this is that by tradition and by nature the Russians are not born innovators. The other and probably primary cause is the useless and inefficient social and economic system. Because even economic growth is declining.

These facts justify the question: How did this development come about and what are the causes? As has been shown already, the Soviet economic system--apart from very few priorities--is marked by a pronounced lack of innovations and by a predominant emphasis on military power. Since 1964, the military has the absolutely highest priority and takes up 12 to 14 percent of the gross national product.

In contrast to the remaining economy--where the growth of progress is drastically reduced--the Soviet defense industry shows a high-speed diffusion of new techniques and technologies. It can hardly be called an exaggeration if one calls the Soviet economy simply a war economy with secondary civilian production.

The modern defense technology in the NATO countries or in the Warsaw Pact overwhelmingly follows civilian production methods and uses commonly used components and products even in the production of military equipment. For example, if the NATO colors are scraped off the board computer of the Leopard I tank and a few plates are exchanged, nothing stands in the way of its civilian use. Or an infrared camera can be used in the area of thermal insulation with very few modifications for military night visibility. The switching networks used in pocket computers can also be used in the steering gear of missiles. Or computers which process seismic signals for geologists can also evaluate sonar signals in antisubmarine warfare.

Against this backdrop, it can be noted that sensitive, strategic or highly developed technology consists as a rule of "dual use" systems and devices. Considering the military-use potential and international distribution, highly developed technology can be controlled quantitatively and thus its transfer can be verified. All in all, 36 categories, subcategories and positions of the international commodities exchange can be designated as highly developed technology. It has the advantage that all UN members are using this commodity index but the disadvantage that it has very few subdivisions. For example, national trade statistics are far better suited for the verification of the transfer of highly developed technology.

Other highly developed technology, such as manufacturing techniques, computer software, technical drawings, patents, alloys, certain metals, etc. cannot be covered by this method.

Between 1971 and 1979, the highly industrialized countries of the West exported about \$13 billion worth of highly developed technology to the Soviet Union and about \$11.5 billion worth to the other East Bloc countries.

Since 1971, the FRG has been by far the biggest exporter of highly developed technology to the Soviet Union. From 1978 on, the United States followed with a 20 percent share, and then Japan. France and Italy are even more clearly behind. Except for Switzerland, all other Western states play an insignificant role in the transfer of highly developed technology (lack of logistical capacity).

In 1978, exports of highly developed technology from the United States to the Soviet Union doubled. The FRG increased its exports by an additional \$90 million and FRG exports by about \$35 million, but exports to the Soviet Union of some technologies such as computers and electronics were increased. After the Soviet invasion of Afghanistan, U.S. exports dropped to \$85 million in 1980.

The possible military risks of Western technology transfer can be divided into five categories:

1. Technologies which can be used for Soviet military technology directly and without modification. These can be components, software or manufacturing techniques for weapons systems. For example, in 1979, the Soviets legally imported British Radial Rolls-Royce Nene engines. This engine was mass-produced for the MiG-15 under the Soviet name of RD-45.

2. Commercial technologies which first of all influence the technological structure of civilian branches. The Soviet military transfer the know-how gained in the civilian production sector into military use. This can lead to the development of new weapons systems, or generally have a positive influence on the technology structure of these systems. The export of precision grinders of the U.S. Bryant Grinding Co to the Soviet Union can be cited as an example. Because of its design and precision, a high percentage (85 percent) of these machines is used in the U.S. arms industry for the manufacture of missile components. In 1960, the Soviet Union wanted to buy 45 of these grinders. The Congress was then against the export permit and it was rejected. By the end of the 1960s, the Soviets learned that these machines are used for grinding of

guide grooves for multiple warheads of U.S. rockets. In 1972, at the general "peak of detente," the Soviet Union made a new attempt to import these machines. Against the will of the Pentagon and under great pressure from the White House, the Soviets were able to buy 160 of these machines for \$7.7 million.

3. Technologies and manufacturing systems which can be taken over directly for the military research program or the arms section. If one considers the speed with which it can be distributed, such technologies have a positive influence on the innovation process in the military production sector. The transfer of complete modern manufacturing systems revolutionizes the production technology through automation and modification of the production organization. The Western export of digital-control machine tools, processing centers and computers for production control fall into this category.

The export of computers to the SIL Truck Works can be cited here as an example. Although it must have been known to German officials that more than half of the production in this enterprise is for military use, the FRG, as the only Cocom [Coordinating Committee for East-West Trade Policy] member, applied for an export permit and in 1978 exported two computers as well as peripheral devices. This Western help has contributed considerably to the increase of the production rate.

4. Highly developed civilian technologies or production programs which find immediate use in the Soviet arms sector.

The unspecific use potential of EDP [electronic data processing] technology allows also for its use in missile technology when searching for targets and calculating changes in air surveillance, in logistics, and in military planning. For example, IBM 360 and 370 computers illegally procured by the Soviets form the basis for the Warsaw Pact's air surveillance and early warning systems.

EDP Smuggle For Soviet Rockets

Two large Western projects, originally planned for civilian use by the Soviets, but used today for military purposes, fall into this category. Until the beginning of the 1970s, the Soviet Union had neither its own modern car nor truck technology. During the invasion of Czechoslovakia in 1968, the Red Army still had considerable problems. Thanks to Western technology, these problems could be drastically reduced 12 years later during the occupation of Afghanistan. The Togliatti Works for passenger cars came into being between 1968 and 1971 in Volgograd. This represents a total transfer project of the Fiat Turino. The official production consists in the Soviet version of the "Lada" passenger car. But their main production goes into reconnaissance tanks, APCs and airborne tanks. This is especially true for the ASU-85, which has been improved considerably since 1973 and is deployed today in Afghanistan.

Since the Soviet Union does not have its own truck technology, the construction of the largest truck plant of the world was left to U.S. enterprises. In 1972, all security considerations were dropped under the pretext of "peaceful trade" and export licenses were granted. Since 1977, U.S. intelligence has become more and more aware of the fact that the construction of military trucks took

an increasing percentage of production. This was confirmed during the Soviet invasion of Afghanistan. The export of an additional production line and computer technology for the Kama Works was denied at the beginning of 1980. After it became known that essential components of the new T-80 tank are manufactured in this plant, any further activity of the Kama-River Purchasing Commission in New York was prohibited. These sanctions must have been effective, because the Red Army wanted to deploy the T-80 in 1981. But so far the Soviets have not gotten beyond testing of prototypes.

5. The last category concerns the transfer of civilian technologies and production installations (e.g., chemical installations and aluminum works) which lead to military potential in certain industrial branches, or which permit the Soviets to gain foreign currency through the export of products. The crude-oil business with the Soviet Union is part of their way to obtain foreign currency. Because the legal and illegal transfer, e.g., of electronic products, is, as a rule, not done by way of compensation of exchange of goods, but rather by cash payments.

Although there are many more examples where the Soviet Union has successfully transferred civilian Western technology to the military sector, an extensive export control is practically impossible. Neither is it in the interest of most enterprises interested in trade with the East. Also, many security risk problems simply solve themselves. The indebtedness and limited supply of foreign currency in the East Bloc call for priorities in imports and, e.g., a decision between wheat or NC machining centers.

9328

CSO: 3103/521

GUEST WORKERS POLLED ON ORIGIN, CONTACTS, PLANS TO STAY

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 19 Jun 82 p 5

[Text] The tendency for foreigners in the Federal Republic to return home in the foreseeable future has declined sharply in the past 3 years. This was the conclusion reached from a special census of the Land Statistical Office in Stuttgart. According to the survey, only 4 percent of foreigners in Baden-Wuerttemberg plan to return home within the next 3 years. A similar study undertaken in 1978 indicated that 14 percent of foreigners polled at that time intended to leave the Federal Republic before 1981. The proportion of those who could not give any indication of their intended return, rose from 29 percent in 1978 to 38 percent. In both surveys, 40 percent of the respondents stated that they did not want to return home under any circumstances. As part of the May 1981 census, about 1 percent of the more than 354,000 foreign heads of households in Baden-Wuerttemberg were asked detailed questions about their willingness to integrate and about the structure of their households.

There is a total of somewhat more than 930,000 foreigners resident in the Southwest, approximately 10.1 percent of the total population. According to a modular calculation of the statisticians, the percentage of foreigners should increase, on the basis of natural demographic tendencies alone, to 1.4 million, or 17 percent, by the year 2015. According to the calculation, every fourth child under 10 years old will then be the offspring of foreign parents.

An astonishingly high 58 percent of foreigners resident in Baden-Wuerttemberg has been living in West Germany for at least 10 years; a further 27 percent has been resident in the country for at least 6 years. Economic reasons were given as the primary factor in determining their wish to remain. Thus 50 percent of those polled stated that it was the possibility of earning high wages that persuaded them to remain. Thirty-eight percent said that they could find no employment at home. Twenty percent each replied that good educational opportunities for their children and their successful adaptation to the country were reasons for staying. The survey also showed that the social integration of foreigners had made clear progress. Where in 1978 as many as 54 percent of foreign heads of households said that they had no contact with German families and only 46 percent maintained social connections, this proportion has, in the meantime, been reversed. The willingness to become

members of German clubs and organizations has also grown. Thus every 10th foreigner is a member of a German sports club. This is twice as many as 3 years ago. Participation in the organizational activity of German cultural and church organizations had doubled, reaching 4 percent. Every third foreign head of household is a member of a trade union or other organization or club.

Foreigners net worth has also increased. In 1978 some 22 percent of them held a certificate of deposit and very few at that time owned their own apartment, house or building lot. Last year, on the other hand, 5 percent of foreign households owned residential property of some kind in Germany. An additional 10 percent indicated that they intended to own their own residence. Of the nearly 51,000 foreigners who stated they wanted to acquire German citizenship (almost 10 percent of all heads of households), 17 percent indicated that they already owned residential property in West Germany. Alongside this advance in integration, there is another trend in Baden-Wuerttemberg and elsewhere and not just in areas of foreign population concentration such as Berlin, of foreigners to create their own social outer field. This is primarily associated with the fact that foreigners domiciled here tend to attract increasing numbers of relatives to Germany. Thus in 1978 only 42 percent of those polled had relatives in this country, while in 1981, 52 percent did.

The Baden-Wuerttemberg census also shows that households with three, four, five or more persons have increased in number, while the number of one- and two-person households has decreased. Consequently, the average number of persons per household has risen from 2.29 in 1973 to 2.81 in 1981. The proportion of employed persons among foreigners has also declined: in 1974, two-thirds of all foreigners resident in Baden-Wuerttemberg were employed. This was about 20 percent higher than the proportion of such persons among the German population. In 1981 only about 53 percent of all resident foreigners was employed.

There are clear patterns of change with respect to foreigners countries of origin. In 1981 two out of three of those polled came from countries which were not members of the European Community. The largest group of foreign households was represented by the Turks with 40 percent, followed by Yugoslavia with 37 percent. Three years ago the Yugoslavs represented the largest foreign ethnic group in Baden-Wuerttemberg. Spaniards retained their proportion with 5 percent, as the Portuguese with 2 percent. Among foreigners who came from a member country of the European Community, Italians dominated with 65 percent.

9878

CSO: 3103/548

LABOR UNIONS OBJECT TO COALITION'S BUDGET, POLICIES

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 13 Jul 82 p 3

[Article by Hugo Mueller-Vogg: "How To Wash a Bear Without Wetting Him Down"]

[Text] Duesseldorf, 12 July—The DGB has announced it will fight the "socially out-of-balance" budget resolutions by taking "appropriate action." The head of the metal workers union, Loderer, has said there will be "a wave of protest" against the government, which his own union newspaper has none too flatteringly called "an unsocial coalition." And the member of the executive committee of the commercial, banking and insurance employees union, Goetz, is calling for "50 Stuttgarts" in reference to last year's mass rallies held by the combative Swabian unionists. Goetz hopes to "get the government off the dime" in this way. As unsettled as the relationship between the coalition partners may be—the atmosphere between the government and the unions, its "third coalition partner," appears poisoned at the moment.

The goal of all the union protests is clear enough. The most recent budget decisions are to be amended insofar as they touch on the "social proprietary rights" of the unions. At the same time, the unions are calling for more of the same insofar as this is done "by soaking the rich." But despite all the rhetoric, the unions do not really know how to achieve this goal. And despite the attacks on the SPD/FDP coalition, the uniform, SPD-oriented union would still seem to prefer it to a CDU/FDP coalition. This pattern would appear to fit the call for "actions" raised at the Berlin DGB congress to combat the hesitant attempts by the government to improve the overall financial situation. But at the same time, the Hamburg DGB was making so-called "election acid tests" public which amounted to little else than clear support for the renewed SPD/FDP coalition the Hamburg social democrats were aiming for. And according to the new DGB chairman Breit, the thrust of the protest campaign is not to topple the coalition but to amend the government decisions.

The union leaders, of course, know full well that the chancellor himself put these decisions into a form that affords the FDP no convincing grounds for switching to the CDU/CSU as they are supposedly inclined to do. That is why the union leaders apparently want to gain some time because the fact is that the allegedly solid budget plans for 1983 will have to be adjusted to new and less favorable economic indicators after the summer interval. On this, for once, they agree with the opposition. In order to prevent even worse things from happening than the "cuts in the social net" already agreed upon, the unions want to talk to the Bundestag deputies of all three fractions now and that, according to DGB headquarters, includes "Hamburg deputy Schmidt."

If the local unionists go by Loderer's proposal and "find appropriate ways" during the summer interval to call the budget cuts to the attention of the 519 Bundestag deputies "as an injustice," then there are most likely to be discussions "among the unionists themselves." The fact is that the DGB fraction in the Bundestag numbers 238—which is one more than the CDU/CSU fraction. 217 of them belong to the SPD, which is the party the DGB still counts on most of all. But the chances of the DGB protests succeeding are limited, if for no other reason than that the SPD fraction agreed to the recent coalition decisions. Only eight deputies voted against the resolution which the DGB executive committee called a "mistake from the point of view of job policy." But the most prominent unionists belonging to the SPD fraction—like chairman Haar of railroad workers union; Adolf Schmidt, the head of the miners union and the designated head of chemical workers, Rappe—have not raised any objections to the 1982 budget. Adolf Schmidt is even alleged to have tried to tone down the sharp language of the DGB executive committee somewhat. At any rate—DGB chairman Breit was unwilling to divulge just what the prominent "DGB deputies" did say in the course of the debate.

Loderer Cites Unions' Limitations

It is worth noting in any event that the newest issue of EINHEIT, the publication of the miners and energy workers union, clearly came out in favor of the coalition compromise. Dissatisfaction with the way the government offsets budget shortfalls is termed an "understandable reaction" by the magazine which goes on to say that dissatisfaction does not "do much" for anyone. "Matters would be helped along if there were more investment and more economic growth. All those involved in the economic process should do their utmost to achieve these goals. But looking the other way in the face of the Green opponents of growth for party tactical reasons would weaken these efforts instead," EINHEIT said.

This is not only aimed against initial talks between the Hamburg SPD and the GAL; it is also directed against those social democrats and unionists who feel that the labor movement and the various Green and Alternative "movements" have more in common than, for instance, the SPD and the CDU/CSU. Just recently, one of the advocates of a "progressive alliance," the commercial, banking and insurance workers chief Goetz, reduced this to the following formula: "Any other political party represented in the Bundestag—but certainly not the SPD—can win elections by coming out against the peace and ecology movements and keeping its distance from the labor union movement."

Loderer also establishes the connection between the budget cuts and the power of the voters, albeit in a different way. While Goetz and other "progressive" union leaders like to make it appear as though the unions were in a position to dictate who would govern for how long, Loderer reminds the members of his union of their limitations. "If the workers expect real help from the unions, they must vote for the political majorities that are receptive to union demands," he says. Now that may sound as vague as many a statement contained in the famous Wehner letters addressed to the SPD deputies; but there is a way of decoding Loderer's message. Since he is far too realis-

tic to pin his hopes either on an absolute SPD majority or a sensible economic policy pursued by a coalition of SPD and Greens, he would appear to be looking toward a grand coalition composed of SPD and CDU/CSU. Many unionists, after all, are still raving about the days when the CDU social committees and the social democrats were busy outbidding each other in devising policies "favoring the working population." The fact that many social programs that were initiated then are now having adverse effects does not seem to bother Loderer.

For that matter, there is hardly any union leader who seems to realize that the financial crunch was caused in no small measure by these very decisions which were always emphatically welcomed by the labor unions. Whenever the unions did attack the socialist-liberal coalition's economic and fiscal policies, they did so because they did not get even higher social services, even more job programs and even more unscrupulous deficit spending approved. Only chemical workers union leader Rappe, one of the top social experts of the SPD fraction, has had the courage to admit this publicly. Rappe already said last January that those who supported the deficit spending programs of several years ago should not try to make it appear that they had nothing to do with them now that the public debt and the declining or stagnating GNP are setting limits to this year's budget. But up to now, no one in the DGB seems to have heard him.

9478

CSO: 3103/579

AUROUX DESCRIBES BENEFITS OF HIS PLAN, UNIONS REACT

Negotiation Is 'Cornerstone'

Paris L'UNITE in French 14 May 82 p 14

[Text] I may as well level with you right away: I feel a heavy burden addressing the National Assembly to propose new workers' rights for France.

I feel burdened with the hopes of millions of people who are counting on the change, burdened with all the contradictory things that the public has been saying for the past 10 months and burdened with actions by people making history who want to open up new areas for progress.

There are times when the rhetoric is sincere. We are in fact going to make it possible for something great to happen--and less by decisions than by way of possibilities. These new workers' rights do not represent a legal edifice handed over "with the keys," but rather they open up ground for people to build the change day by day.

A Social and Economic Crisis

Think back to May 1981. France was plunged in an economic crisis, touched off 7 years earlier, and the new government inherited a situation it had to cope with!

The crisis was seen in unemployment and in the fact that many workers were left out of the mainstream.

I will explain what I mean. The closing of a number of businesses made the employment situation deteriorate. And, in most cases, these decisions were imposed on employees, who had no chance to make their economic proposals heard. This seizure of power made any decisions incomplete at the very least.

Moreover, some labor management policies encouraged precarious types of jobs. Although firms may have thought they were improving their efficiency with these practices, they actually shifted the burden of indemnifying workers to the national community, and workers' skills diminished as they alternated between temporary jobs and unemployment.

The existence of the crisis provided further justification for a dual society in which two types of labor would coexist: one type needed to develop the competitive sector, which was protected and enjoyed a privileged social status; and, the other used on the basis of need, and relegated to a second-rate status. We reject this social dislocation, for reasons of both social justice and economic efficiency.

We have heard a lot of talk about the economic crisis. But France also underwent a social crisis a year ago. For proof, just look at the cases before the courts, and you will realize that labor unions are far from being recognized everywhere. Added to the dealings of some employers are repressive anti-labor activities and more generally the refusal of business to practice representative democracy.

Although negotiations have been active, entire business sectors still do not have any collective [bargaining] agreements! Up to 1974, social peace was bought everywhere without conceding an iota of power. Through a lack of will and grass-roots support, the previous leaders favored class claims and the dislocation of wage-earners.

This was the situation in France in May 1981. It is against this that the government intends to fight.

A Federalist Project for France

It is now time to base labor relations on a balance of power between representatives of workers and management. It is clear that democracy gives everyone the right to express his views and be represented.

Some people have criticized the idea of democracy being applied to the business world. It seems that they are afraid of seeing the policy invade production jobs.

For us as socialists, democracy is above all a way of managing business that respects and gives value to each person's beliefs and abilities. In reading the bills before parliament, it is clear that the government wants to promote a more balanced dialogue on a firm's problems between the different echelons working in it, while respecting the management unit of the head of the firm.

Between the noble visions and the plain reality of the former majority's management we must find a new way to reconcile economic discipline with increased power for workers.

This is the new concept of citizenship: no more minor partners, but full-fledged partners occupying their true place in the collective project that every firm represents.

I used the term "break" in the report I submitted to the President of the Republic and the Prime Minister, because it actually is a matter of making a break with the traditional view of social dialogue. Some people have referred to a break with the model of a French firm. However, there is no single model,

but a combination of a number of firms that have been following the spirit of these documents for quite a long time and others that have comfortably maintained obsolete positions. It is this latter group that must change.

Monarchic management has proven its inefficiency. Everyone has to be heard to reach an agreement. Cooperation should become the rule.

It is not a matter of either encouraging disputes or making them disappear, but rather a setting up mechanisms for solving them. And any solution will be that much better for having been reached by equal partners.

A Framework for Action

When we were drafting the bills on workers' rights, our constant concern was to avoid weighty legislation that would create impediments. To the contrary, we wanted to set up dynamic structures that would enable workers to express themselves and have an influence on the decisions that concern them.

Thus, decisions were made from the perspective that the new workers' rights should make it possible to release the creative forces of business. The agreed proposals are based on confidence in the ability of employers and labor representatives to negotiate and to make a personal contribution to creating their social environment, with the active support of the government in encouraging the negotiations.

Negotiation is therefore the cornerstone of the new relationships in firms. It should be nourished by workers' views as to their working conditions. It is completed by the role of the firm's committee responsible for following the company's economic development. The balance thus established forms a whole.

This framework for action describes the general conditions for freedom of expression and negotiation and gives each side the means to use them fully.

These legal texts are going to profoundly transform relations in firms. We are well aware of both the difficulties of the time and the weight of habits and conservative attitudes. We do not harbor the illusion of expecting to change things overnight. The action that we are proposing will take place over time. This is why the government took up this reform quickly, so that the rules of the game for our proposed company could be set as soon as possible and clearly define the framework for the coming years.

All forces of society, and first and foremost wage-earners, will have to be mobilized to solve the economic crisis. This is why we have decided to build a society of responsible individuals, where everyone and every organization must constantly reconcile the claims of its members with its participation in achieving national objectives. Everyone will have to make an accounting to the public on the extent of his commitment to the policy democratically agreed on by the national community.

Exercising responsibility in a free atmosphere is not confined to observing procedures, albeit democratic ones. Responsibility must have a purpose. To come out of the crisis, we must first question the way things are now, unjustified

profits, private incomes; in short, all kinds of inequalities perpetrated by class strategies not in the public interest--something that the previous governments did not want or were unable to further.

This is the discipline and courage that we are asking our compatriots to exercise.

CFDT Most Satisfied

Paris L'USINE NOUVELLE in French 20 May 82 pp 44-45

[Article by Anne-Marie Cattelain: "Auroux Report: The Amendments Battle"]

[Text] What will be left of the Auroux projects once they are published in the "Official Gazette," after having been approved by the Assembly? One thousand five hundred amendments were submitted by the UDF [French Democratic Union], 500 by the RPR [Rally for the Republic], 176 by the socialists and communists. And the government is in danger of being outflanked by its own troops.

The deputies have been studying the bills stemming from the Auroux report for the past week, in an emotionally charged atmosphere. The results is that discussions are progressing slowly, as every article starts the polemic going again with vehement statements and inflamed oratory.

The commercial partners, for their part, are not sitting by quietly. First of all, Yvon Gattaz, president of the CNPF [National Council of French Employers], said "he was afraid that discussion in firms would become politicized" and levelled some fundamental criticism at the draft legislation as a whole:

Its cost is difficult to tolerate after the bill for the fifth week of paid vacation and the 39-hour week. It is the firms that will be defraying the cost of the representatives and additional credits. This criticism was repeated by Citroen's management to explain its intransigence in the discussions now underway.

It is rigid. Yvon Gattax fears that the new provisions, and especially the strengthened economic role of the company's committee, will slow down and delay the decisionmaking process.

Factory Councils Disturb the CGC

Finally, the CNPF president finds it unfortunate that the provision for workers' freedom of expression short-circuits management and removes any possibility of their having a dialogue with workers.

As for the General Confederation of Small and Medium-Sized Businesses, it rebels against some of the amendments, including the one designed to set up labor union departments in firms with less than 50 employees.

On the side of wage-earners, the CGC [General Confederation of Managerial Personnel] is also concerned about the establishment of factory and office councils and the danger of "sovietization" of firms. The [FO] Workers Force of course does not appreciate the clause in the bill on collective bargaining, according to which labor unions with more than 50 percent of the registered voters in professional elections could reject an agreement signed by organizations in the minority. The FO in fact is frequently alone in signing agreements. Moreover, Andre Bergeron is afraid that the direct expression of workers will relegate the role of unions to second rank.

The Ball Is in the Deputies' Court

The CFDT [French Democratic Confederation of Labor] is generally satisfied. As for the CGT, it does not miss an opportunity--it took advantage of the Renault, Citroen and Usinor disputes--to warn the government against a "timid" attitude. During a colloquium organized on the topic of "new rights" in Paris, Henri Krasucki clearly repeated that "the real application of the new law will depend on the direct action of the workers."

In the meantime, the ball is in the deputies' court, and will be for some time to come. The impact on the new laws on firms will not be measured before September. Not until then will we know whether they will be implemented peacefully or accompanied by a series of disputes like those that followed passage of the shortened work week.

Workers' Rights

The Gist of the Four Bills

Collective bargaining and settlement of collective labor disputes. In firms with 50 or more employees, the law requires the employer to negotiate annually real wages and the actual work hours, without imposing any decision. Moreover, labor unions that obtained more than 50 percent of the vote in professional elections can reject an agreement signed by organizations in the minority. For branches of industry, the articles in collective agreements dealing with wages must be updated every year, and those rating jobs every 5 years.

Workers' freedom of expression and other rights in firms. On an experimental basis, freedom of direct expression by workers on their working conditions would become compulsory in firms with more than 200 workers. The same bill limits the content of companies' bylaws to problems of discipline, health and security. Moreover, and this is something entirely new, conciliation boards may annul sanctions that are disproportionate to the violation committed (up to now, the Supreme Court of Appeals has systematically set aside decisions of this sort, on behalf of the disciplinary power of the employer).

Development of staff representative institutions. The bill gives more time to union representatives, and the possibility for them to freely circulate in the firm and make any contacts required by their job, including contacts with workers on the job. The bill improves accessibility to economic information for the company committee and requires an economic committee to be set up in

firms with more than 1,000 employees, and leave to be granted for economic training. The establishment of group committees in the present companies is envisaged.

Establishment of a health, security and working conditions committee, by merging the CHS and the committee to improve working conditions, with expanded powers. This is the only bill under study that received the support of the Economic and Social Council.

9805

CSO: 3100/719

RESEARCH, FINANCING TO MAKE MECHANICAL CONSTRUCTION COMPETITIVE

Paris, L'USINE NOUVELLE in French 8 Apr 82 supplement pp 132-138

[Article by Georges Le Gall: "Double Research in 3 Years"]

[Text] "Engineering research, a sector that feeds the entire industrial complex, must be considered as a priority." Engineers are determined to make good these words by the President of the Republic, and for two main reasons: to incorporate advances made in other fields, especially in electronics; and, to catch up with the other great engineering countries. To quickly double research efforts is a matter of survival. But to achieve this, firms, particularly small and medium-sized industries, must commit themselves further, and the government must help them.

After a period of discussions which led to the "1980-1990 Prospective" study published in the spring of 1980 by the FIMTM (Federation of Engineering and Metal Working Industries) and the Academy of Sciences report on "Engineering and France's Industrial Future," which came out in the fall of that year, engineers decided to take action by stepping up their research and development in an effort to maintain their profession's chances in international competition.

They pinpointed 15 priority topics for research: advanced tooling, molding and riveting technology; friction technology and surface treatments; industrial fluid engineering; the technology involved in analyzing stress and breaking point of structures; noise and vibrations; use of new processing techniques and equipment; microelectronics in engineering; controls, instruments, gauges; components (mechanical, hydraulic, pneumatic and electromechanical transmissions); data processing in research offices and factories; rational use of energy (energy producing equipment and energy saving); machinery (repair, tooling, conditioning, joining, specialized machinery); robotics and automation; portable equipment (public works, handling equipment); and finally, biomedical material.

In general, "the amount of government funds for research and development that go to the engineering industries must be doubled, from 350 million francs in 1981 to 750 million in 1984, with a matching increase of at least as much on the part of the firms," Roland Koch, president of the FIMTM, indicated. "The stakes are too high for engineering firms to continue to act alone,"

he added. "All efforts and all available means must be mobilized, and specific, voluntary actions must be quickly triggered. The country should realize the consequences: either it gives its full support to the French engineering industry, or it will find itself overwhelmed by imports in 10 years."

France in a Good Position Internationally

Of course, despite serious weaknesses in some fields (machine-tooling, for instance, for which a program to revitalize the sector was completed in December 1981 following discussions between the industry and the government), French engineering firms (9,000 employing 590,000 workers with 155 billion francs in sales in 1981) do not have to be embarrassed about their position on the international market. France is in fact the sixth largest producer in the world, following the United States, the Soviet Union, Japan, West Germany and Great Britain. And it is the fourth largest exporter, behind the United States, West Germany and Japan.

Moreover, as a result of its increased sales abroad (the percentage exported is now approaching 50, whereas it was only 30 percent in 1973), the French engineering industry has been able to maintain its volume of business at a level close to the 1974 record, despite the continued sluggishness of the domestic market. And, the profession became aware of the need for research a long time ago. CETIM (Technical Center of the Engineering Industries) was founded in 1965 at the request of the FIMTM.

Why, then, do the leaders of the FIMTM now believe that efforts must be stepped up? For two main reasons: engineering must incorporate advances made in other fields, especially electronics; and, the other major engineering countries are devoting a much greater effort to research and development activities.

Electronics has modified manufacturing technology. "This is the great revolution of factories today. After having invaded accounting and management, the computer is now irreversibly affecting all the activities related to design and production. This does not apply to large enterprises alone, but also, and sometimes in a vital and sudden way, to small and medium-sized industries. As an example, I will take just the design and manufacturers of injection molds and cutting dies. For these, the multi-operational digital control machine directly hooked up to a computer permitting assisted design constitutes an irrevocable development," Jean Persuy, chairman of the FIMTM's General Technical Policy Committee (and chief executive officer of Saunier-Duval), pointed out.

"During a recent trip to the United States, we noticed that the Americans were making great strides in this area to counter Japanese competition. We alerted French industrialists, who are well aware of the problem but lack the funds to solve it," explained Pierre Jeannard, president of CETIM and COREM (Coordinating Committee for Engineering Research Centers).

Electronics is also changing products, from machine-tools, to weighing equipment, machinery for plastics and textiles, handling equipment, etc. "Every engineer should ask himself the question: why and how should I put a microprocessor in my product?" Jean Persuy says.

Overall, half the engineering products that will be on the market in 1990 did not exist in 1980, according to the FIMTM's prospective study. To cope with these developments, the countries that are our major competitors are devoting a much greater effort to research than we are.

According to the same FIMTM study, engineering's share of total industrial research is only 4.8 percent in France, as compared to 8.9 percent in the United States, 9 percent in Japan and 13 percent in West Germany. According to the Academy of Sciences report, the research and development budgets of the engineering industries account for only 0.8 percent of sales volume in France, as compared to 1.3 in Japan, 1.5 percent in the United States and 2 percent in West Germany.

These gaps in relative values are even greater when you consider that they apply to very different absolute values, since the United States manufactures ten times as many engineering products as France, Japan four times as many, and West Germany twice as many. Moreover, these differences are even more alarming since "the United States and Germany, in an attempt to check the growing Japanese competition in all sectors of industry, are rapidly modernizing their production tools, mainly to the benefit of their engineering industries," noted Jean Persuy.

A Simple Condition for Survival

In these circumstances, [France's] desire to rapidly double its research efforts is not in the least ambitious: it is simply a condition for survival. However, it is clear that the average 0.8 of sales volume spent on research by French engineering firms hides widely varying situations, depending on the company and the equipment. The figures are sometimes much higher. Otherwise, French engineering firms would no longer be doing business on the major world markets.

At Creusot-Loire, for instance (which has 40,000 employees and a sales volume of FR 20 billion and which, ever since the reorganization of the special steels sector, has concentrated on widely varying types of manufacturing machinery and equipment, ranging from nuclear generators to handling equipment and printing equipment, etc.), the research and development budget accounts overall for 2.5 percent of sales volume. "But this varies from less than 1 percent in an industry such as cranes to nearly 10 percent for measuring instruments," indicated Bertrand Vieillard-Baron, director of coordination of scientific and technical matters.

However, large research budgets are not found in huge companies alone. "Our yearly average is 3 percent, and we even went up to 3.5 percent in 1981," explained Alain Le Grand, general manager of Pompes Bergeron--a company with only 120 employees, but which subcontracts its manufacturing. They are not

found only in the so-called leading industries either. "For a long time, our water heater plants have had a research budget equal to 2.5 percent of the sales volume. The same is true of our two competitors, Chaffoteaux and Leblanc. And it is profitable: our prices are absolutely competitive with Japanese prices, as imports cover less than 5 percent of the domestic market and the business exports more than one-third of its output, especially in Europe," explained Jean Persuy, chief executive officer of Saunier Duval.

The chairman of the FIMTM General Committee for Technical Policy added: "It is obvious that companies which are already devoting 2.5 percent of their sales volume to research are not going to raise it to 5 percent in the next 3 years. In order for the entire engineering industry sector to double its research efforts between now and 1984, many firms, and especially small and medium-sized industries which have never done research, must start research programs."

But where do we begin? Out of the 9,000 engineering firms, how many do research? Unfortunately, it is impossible to answer this simple question accurately. It is true that the FIMTM member firms are extremely diverse, despite the common bond of metal working (there are in fact 64 businesses ranging from boiler works to railway equipment, and including machine-tools, hardware, etc.), and that most of them are small and medium-sized firms (79 percent of the companies have less than 100 employees and account for 31 percent of total employees, 18 percent have from 100-500 employees with 32 percent of total workers, and only 3 percent have more than 500 employees with 37 percent of the total workers).

According to the Research Ministry's figures for 1980, 189 firms (employing 141,000 workers) were in the mechanical engineering sector. These data should be interpreted cautiously. The survey in fact only covered firms with more than 100 employees and with "permanent, organized experimental research and development activities." According to this restrictive definition, in 1980 France had only 1,316 firms in all the sectors (with 2.6 million employees) that had a research and development budget. Moreover, the ministry's use of "mechanical engineering" is just as restrictive, since it covers only industrial plant and equipment and agricultural machinery or one half of the industries in the FIMTM. (The other half includes metal processing, precision mechanics, structural metals and railway equipment.)

ANVAR (National Research Promotion Agency) statistics include in a single item all businesses that applied for aid (1,394 in all were approved in 1981), including metalworks, mechanical engineering and electrical engineering. Together they accounted for a little more than half the companies that received aid (734 in 1981). However, ANVAR estimates that when all the industries with a dominant engineering component classified under other items are taken into account--electronics, chemicals, textiles, construction and food industries--engineering actually accounts for half of the total.

Moreover, ANVAR uses a broad definition for small and medium-sized industries (1,188 businesses approved for aid in 1981), since it includes firms of 10 to 10,000 employees. Nevertheless, a survey of 500 applications for aid (or

one-third of the businesses granted aid between September 1979 and February 1981) provides more precise information on the size of the firms: 63 percent of them had less than 100 employees, 19 percent had from 100 to 500 and 18 percent more than 500. As far as the amount of the aid granted is concerned, 30 percent went to firms with less than 100 employees, 24 percent to firms with 100 to 500 and 46 percent to firms with more than 500. These statistics, which apply to all sectors, are probably valid for engineering, taking into account its share of the total.

These figures could be viewed as encouraging, since they show that nearly two-thirds of the number of loans granted went to firms with less than 100 employees, which proves that the most dynamic small and medium-sized industries are perfectly capable of innovating. They could also be viewed as disturbing, since they also show that the number of engineering firms receiving ANVAR loans is only about 700 a year, whereas the sector includes 9,000 firms.

Similar conclusions can be drawn from the statistics of CETIM, which estimates that out of the 9,000 firms that pay the special tax comprising most of its budget, one-third consult it regularly, one-third occasionally and one-third never.

Use of the technical centers is not reserved for the small and medium-sized industries alone. Out of a total of nearly 6,000 aid applications received by CETIM in 1980, about 25 percent came from firms with more than 1,000 employees. However, the small and medium-sized industries are more directly concerned, because of their limited resources in manpower and equipment for research and development. These centers must be easily accessible to their potential customers.

A Dual Mission for COREM's Regional Offices

This is why COREM (combining CETIM, a non-specialized center, with five other centers with engineering specialties: CERMO for machine tools, CETIAT for aerodynamic and thermal equipment, CT-DEC for screw-cutting, CTICM for structural metals, and the Soldering Institute) set up 26 regional offices in 1982.

"They have a dual mission: to make business leaders aware of the research being done in the centers and to show them how they can take advantage of it; and, to put them in touch with technicians in the centers who can solve their individual problems," Jacques Millot, COREM's director-general, said.

Small and medium-sized industries would also probably find it advantageous to make further use of the contract services of private research firms. There are about twelve in France, the largest ones being Bertin (with 600 employees, 40 percent of whom are engineers and professionals, it is the largest private industrial research and development agency not attached to any industrial conglomerate in Europe), Hydromecanique et Frottement, and Metravib. "Close to their customers, small and medium-sized industries are in a good position to detect unsatisfied needs and thus to innovate. Although they do this very well when innovation merely entails using technology they already have, they frequently do not know about related technologies that companies such as ours can easily provide them, because we are a pool of

science and technology which we know how to introduce in an operational manner," Georges Morchelles-Regnier, Bertin's director-general, pointed out.

In fact, for a large number of engineering firms, the problem is not just stepping up research, but also having access to existing know-how. This is particularly important for know-how accumulated by government agencies such as CNRS [National Center for Scientific Research] (where 2,000 research workers are in the engineering science sector), ONERA [National Office of Aerospace Studies and Research], INRA, etc. However, "it must be realized that the contributions of these various agencies to industrial research are well below what could legitimately be expected of them. Engineering is a highly developed science based on mathematics for some, and a direct contact with the material for others. It should be possible to find a language common to both the researcher and the user. This is particularly critical but difficult for many small and medium-sized industries," said Georges Imbert, director general of the FIMTM.

Financing: 'Where the Shoe Pinches'

The FIMTM in fact suggested that small and medium-sized industries set up "research attache" positions, which would be held by employees who were high-level technicians, whose job would be to serve as liaison with outside research agencies. "This would be a good idea if we could find the means to finance their training," Georges Imbert commented. "Part of their salary during the initial stage of their work would also probably have to be covered," added Jean Persuy.

Financing: it is not so surprising that this is where the shoe pinches. The FIMTM has made specific suggestions, the most important of which are the following: government credits of FR 150 million a year for at least 3 years to finance the 15 priority topics for research, to be conducted jointly by the technical and professional centers and private and public agencies; and, a doubling of ANVAR credits in 3 years, from 250 to 500 million francs. This point is essential for the small and medium-sized industries especially, since ANVAR loans, which are repayable in the event the firm is successful, frequently represent half the cost of developing the programs planned by these firms when they request aid.

In principle, the FIMTM and the government agree on the need to step up research and on the idea that this goal cannot be attained without a substantial increase in government aid. Moreover, this is consistent with the government's wish to raise the percentage of the gross domestic product devoted to research and development from its 1980 level of 1.8 percent to 2.5 percent in 1985.

But when will intentions become action for the engineering sector? "By the end of 1982," responded someone in the office of Jean-Pierre Chevenement, minister of research and technology. There are two prerequisites: passage of the general research programming law, which should be on the agenda of the spring session of parliament; and, the work of the engineering mission set up by Jean-Pierre Chevenement. So for the time being, it is a matter of waiting.

As the Research Ministry has pointed out, ANVAR's initial budget is 760 million francs for 1982, as compared to 450 in 1981, a 68-percent increase. With the additional funds it received during 1981, ANVAR was actually able to disburse nearly 700 million francs last year.

This means that, if we account for inflation, its initial 1982 budget is considerably less than its final 1981 budget. Of course, ANVAR, whose director, Christian Marbach, believes that it could usefully disburse 1 billion francs this year, is hoping to get a "raise" when the special budget appropriations are decided, but nothing is certain.

Engineers would also very much like to move from hope to certainty and see the words spoken by the President of the Republic during the National Research Colloquium last January become a reality, namely that "engineering, which feeds the entire industrial complex", must be given priority.

The Technical Centers

Established in 1977, COREM (Coordinating Committee for Engineering Research Centers) is composed of six centers which, except for the Soldering Institute founded in 1930, were all started in the 60's. They include CETIM for all the engineering industries, CERMO, specializing in machine tooling, CETIAT in aerodynamic and thermal equipment, CT-DEC in screw-cutting, and CTICM in metal structures.

The human and financial resources of these centers are substantial.

The centers bill businesses for the personalized services they provide them. Jobs of interest to the community, however, are financed by a special tax, which is usually about 1 percent of the sales volume, but is 3.5 percent for CETIAT and CTICM. Except for the Soldering Institute, which is primarily involved in training, the special tax accounts for a basic portion of the centers' resources. In real value, however, the proceeds from this tax have been stagnant for several years, since the volume of business of the engineering industries has levelled off since 1974. This is obviously an additional reason why this tax should be put to optimum use, and this is why COREM was founded, and given the responsibility, among others, of avoiding duplications of investments.

It is also important for the work of the centers to be spread out as much as possible over the various firms. Several years ago, CETIM installed regional antennas. A new step was just taken in the beginning of 1982 when COREM set up 26 regional offices, 21 of which were located in 18 provincial towns. These offices are still attached to a center, but they were trained to have a sufficient knowledge of the activities of all the centers so that they could effectively refer firms with which they are in contact to the appropriate agency. These obviously include engineering firms, but also firms in all the other sectors using engineering equipment. Offices should still be set up in some regions, especially in Provence, Normandy and Brittany.

Distribution of ANVAR Aid by Size of Firm

Number of Employees	Percentage of Number of Loans	Average Loan (in francs)	Percentage of Total Loans
1 to 5	24%	150,000	6%
6 to 19	15%	290,000	8%
20 to 49	16%	320,000	10%
50 to 99	8%	415,000	6%
100 to 249	10%	750,000	14%
250 to 499	9%	580,000	10%
500 and more	18%	1,500,000	46%

Small and Medium-Sized Industries in a Good Position

ANVAR's annual statistics do not give an accurate breakdown of aid by size of firm. Out of the 666 million francs disbursed in 1981, for instance, 476 went to small and medium-sized firms--but ANVAR includes in this category firms with 10 to 10,000 employees.

However, a survey of 500 firms was conducted between September 1979 and February 1981. The table shown above gives the results. These figures apply to all the sectors, but they are certainly applicable to engineering, which receives about half of ANVAR's total aid. It shows that small and medium-sized firms are in a good position, since 82 percent of the total loans granted and 54 percent of the total amount of financing went to firms with less than 500 employees.

9805

CSO: 3100/702

BRIEFS

RISE IN EXPORTS--Greek exports registered a 21.9 percent increase during the first 6 months of this year in relation to the corresponding period in 1981. This confirms the fact that exports are improving in 1982. This was announced by Sp. Kharitos, president of the organization in support of exports; he added that this rise in exports is calculated in steady prices and that it is of the order of 5.9 percent in comparison with the first 6 months of 1980. [Excerpt] [Athens TO VIMA in Greek 23 Jul 82 p 2]

CSO: 4621/453

KETENCI EYES DIFFICULT POSITION OF TURK-IS PRESIDENT

Istanbul CUMHURİYET in Turkish 3 Jun 82 p 6

[Commentary by CUMHURİYET labor columnist Sukran Ketenci on the outcome of the 12th congress of Turk-Is]

[Text] Even though in our view his principles and his methods may be somewhat crooked, at the very least Sevkettin Yılmaz, the new president of Turk-Is, has come out of the deliberations of the Turk-Is congress with what can be called a victory for himself, his team, and his alliances.

But it doesn't look like he was fated to savor the taste of success, to rest even for a few days so that he could recover from the weariness of a successfully concluded congress. In the midst of the work of the congress he abruptly found himself embroiled in a problem that had flared up all of a sudden. Now he is faced with an impossible choice, and it doesn't look like he will be granted the chance to say, "I don't want either one."

Minister of State Turgut Ozal, who, after the Supreme Arbitration Council, had been the favorite target for criticism throughout the Turk-Is congress, issued a very categorical statement. He said, "The minimum wage will not be raised as long as its linkage with severance pay is not abolished. The government's position is clear for all to see." He added that, "They are merely attempting to raise the ceiling on severance pay levels, which will benefit only themselves and a few other people." In doing so, we feel he has leveled a truly false and unjust accusation.

The linkage between the ceiling on severance pay and the minimum wage was neither the idea nor the initiative of trade unionists. The amended legislation which sets a limit to severance pay bears the signature of Mr Turgut Ozal himself. If we are talking about an error in legislative technique, the responsibility does not fall upon the trade union people, but on those who prepared the legislation. Now that the minimum wage, which is just a living wage and should not be subject to bargaining, has lost its meaning in the face of rising prices, now that there is nothing left to say on the matter, it is unjust to say that "they aren't thinking of the workers but of their own severance pay." Especially so when National Insurance Administration statistics show that the number of people working at the minimum wage is close to 600 thousand, and that the average wage of all insured workers covered by collective

bargaining contracts does not exceed 15-16 thousand liras. Raising the minimum wage does not merely affect the 600 thousand working for the minimum wage who are covered by insurance, but also the millions of uninsured workers as well. Even more importantly, it may necessitate a review of decisions by the Supreme Arbitration Council and a change in the rates of wage increases. The reason for this is that in many branches of employment and in many workplaces the average wages, in spite of so many renewed collective bargaining agreements, are not much higher than the minimum wage. A new adjustment may be imperative. In short, the setting of a new minimum wage is of concern first of all and most urgently to those who work at the minimum wage, to low wage earners, and to those who are forced to work without collective bargaining agreements or insurance under conditions that violate existing laws.

In exchange for an as yet undetermined amount of increase in the minimum wage, demands have been made for sacrifices and losses--lasting and serious in scope--of the right to severance pay. One formula envisages a freeze on the level of severance pay; another one calls for a new method of calculation that would result in a drop below current ceiling levels; a third one proposes a trust plan accompanied by a conversion of severance pay to retirement pension payments. The present legal arrangements concerning severance pay may be defective from a technical legal point of view. But a restriction aimed at the core of one right on the grounds of a necessary readjustment that has no affect on the essence of another right, cannot be interpreted as the granting of a right but only as the restriction of a right.

The new president of Turk-Is is truly in a very difficult position. As the head of the largest labor organization he is in no position to give a positive answer to either of these proposals.

9620

CSO: 4654/346

RECENT EVENTS REFOCUS ATTENTION ON INTEREST RATES

Incident Sparks Debate

Istanbul TERCUMAN in Turkish 29 Jun 82 pp 1,13

[Text] In the aftermath of the Kastelli incident, debates have intensified in connection with insuring the principal amounts of certificates of deposit and bonds as well as government controls on interest rates paid to ordinary citizens. Currently proposed interest rates vary between 20 and 35 percent. Another issue under discussion is the merger of banks that will have difficulties in complying with the proposed interest rate plan. Some of the administrators of these banks say: "This issue can only be resolved by the government."

Experts whom we talked to in connection with the possible merger of banks said that "such a merger will be too artificial."

Small Savers' Rights

Meanwhile, it is reported that strict supervisory measures continue to be in force to insure that the banks are complying with the directives issued following the Kastelli incident.

According to an Akajans [Mediterranean News Agency] report from Ankara, intensive efforts are under way to guarantee the rights of the small saver, to prevent new fluctuations in the money markets and to reorganize the banking system in a realistic manner. These measures follow the placement of Banker Kastelli and its subsidiaries under state guarantee and credits amounting to 10 billion Turkish liras extended by the Central Bank to small banks having difficulties in making the payments on the certificates of deposit marketed [by Banker Kastelli]. At two separate meetings at the Central Bank and the Office of the Prime Minister yesterday, a legal basis was sought for the gentlemen's agreement reached among Istanbul banks before the Kastelli incident to stop the marketing of certificates of deposit. Also, ways were discussed to prevent the abuse of the certificate of deposit system used by banks and to insure that a certain amount of interest is paid on existing certificates.

It has been learned that since 22 June, when government statements uncovered the Kastelli incident, the Central Bank has provided 10 billion Turkish liras in financial support to small banks which marketed Kastelli's certificates of deposit.

Central Bank officials stated that the banks' deposit requirements at the Central Bank as well as the penalty sanctions imposed by the 3 June directive are being strictly enforced. Noting that enforcement measures have not been relaxed in any way because of the Kastelli incident and the subsequent support provided to some banks, the officials said: "The sanctions will be strictly enforced without differentiating among banks." The 3 June directive issued by the Central Bank increased the banks' deposit requirements to between 30 and 40 percent and imposed an annual interest rate of 54 percent plus a penalty charge of 5 percent per month on requirements not deposited.

The Central Bank is also working on various proposals and options to reorganize the banking system in accordance with more realistic criteria. Included among the options are proposals to merge selected groups of small banks into large and strong banks and to provide incentives for the formation of productive and powerful banks.

Situation Evaluation at Prime Minister's Office

Prime Minister Bulend Ulusu held a meeting at his office yesterday afternoon with a group of ministers headed by Deputy Prime Minister Turgut Ozal to discuss the latest situation in connection with the Kastelli incident. Possible measures that can affect the banking sector were discussed at the meeting.

Officials stated that a statement may be issued today in connection with the issues discussed.

Professor Serin's Proposals

In an interview with the Akajans correspondent in connection with current efforts and proposals, Professor Necdet Serin, Chairman of the Department of International Economics and Development of the Faculty of Political Sciences of Ankara University, said that the government is not obligated to provide unlimited support to the banks. Professor Serin also put forth certain proposals in connection with certificates of deposits.

Professor Serin said the following about certificates of deposit which were marketed by Banker Kastelli and other brokerage institutions and which say "no interest payment will be made":

"Legal action must be brought against banks and their administrators who have issued certificates with a clause that no interest will be paid. This is an act of fraud. At a certain point, it becomes fraud and, in my opinion, it is a crime. Consequently, legal action must be taken immediately, and these banks must be required to pay the accumulated interest on the certificates they have issued at the rate that was in effect at the time the certificates were issued."

Central Bank Endorsement

Professor Serin noted that certificates of deposit make transfer of funds very easy since they are made out to the bearer and that they are widely used around the world. Professor Serin said: "However, this system has been abused in

in Turkey from a standpoint of interest rates because allowable limits have been exceeded. To prevent this in the future, certificates of deposit to be issued by banks after 1 July can be endorsed by the Central Bank."

Statement by Eko-Yatirim

While technical work on bank certificates of deposit continues and whereas Central Bank officials have stated that the decision to bar brokers from marketing certificates of deposit is being strictly enforced, Eko-Yatirim has announced that they will not liquidate their assets and that they will continue to market the bonds and the bank certificates of deposit they have at hand.

Eko-Yatirim officials were asked by the Akajans correspondent: "Was the marketing of bank certificates of deposit by brokers not banned?" The officials replied:

"Yes. A directive issued by the Ministry of Finance some time ago barred brokers from marketing certificates of deposit. However, we are not selling such certificates. We are selling bonds and certificates which we have in stock and which reached us within the framework of our citizen-financed activities. If you notice, we are not marketing them."

Merger of Banks

Faik Basbug, Board Member of Iktisat Bankasi, said that the banking sector will not be affected by the "Banker Kastelli incident." Basbug said the following in connection with the "merger of banks":

"I do not think a merger of banks is possible particularly in view of the capital groups that are standing behind them. It is not possible to merge banks that are affiliated with different capital groups."

'Mergers No Solution'

Caner Ersoy, Director General of Kocaeli Bankasi (Turk Ekonomi Bankasi), said that the issue of a merger of small banks brings forth the issue of a merger of capitalists. Ersoy said:

"Each capitalist has a different expectation of profit from his bank. These different expectations must be taken into account. Consequently, the issue cannot be resolved by a merger of banks. A solution can be found by creating a unifying environment which will be in tune with the expectations of the capitalists."

Ozer Ciller, Director General of Istanbul Bankasi, said that if the banks are given a free hand on the issue of mergers "it is highly unlikely that they will want to merge." Ciller said: "Mergers can only be forced by the government. However, I think that if the merger path is to be taken it will be beneficial if the Treasury joins the banks to be merged as a partner while maintaining its status of being an arbiter."

Erol Aksoy, Director General of the International Industry and Trade Bank, said that "the merger of banks is a long-term issue."

Yilmaz Mazlumoglu, Director General of Anadolu Bankasi, said: "Erroneous debates are taking place among the public. The issue is not one of small or large banks; the issue concerns seriousness and irresponsibility in banking." Mazlumoglu added that reducing the number of banks in the Turkish banking system would not be right.

'Productive Banking Important'

Speaking about the merger of banks, Ahmet Demirer, Director General of Hisarbank, said that the issue has been misinterpreted by the public. He said:

"For example, if you merge four bad banks, you will get another bad bank. Therefore, I must emphasize that the problem is not a merger of the banks, but insuring that a transition is made to productive banking."

Rate Rollback Under Consideration

Istanbul DUNYA in Turkish 26 Jun 82 p 1

[Report by Zerrin Artagan]

[Text] It has been announced that brokers will reduce their interest rates to a level that is below what they were paying before but above the rates currently offered by banks. Many brokers in the market have stated that they will go along with this practice.

In a statement yesterday, Gun Calika, Director General of Meban, said that the new interest rates to be offered by his organization will be higher than those paid by banks on savings deposits, but lower than what they were offering before. Following this statement, many brokerage institutions announced that they, too, will lower their interest rates. Some brokers said: "Our interest rates were already lower than the general market level. Those who are lowering their rates were paying excessively high interest."

The brokers said that they have always known that the interest rates were too high and that, however, they were compelled to maintain their high rates in view of the preference of the people to deal with institutions paying higher rates. The brokers added that they will now lower their rates to inspire confidence among the people.

The brokers also maintained that all brokerage institutions must come together and conclude a gentlemen's agreement. The brokers expressed their approval of Meban's announcement.

Baki Aygun, Executive Council Chairman, Bako:

"We think Meban's move was very positive. As of Monday, we will also lower our rates by 7 to 8 percentage points. In the past, we stated repeatedly in the press that this was an unhealthy state of affairs. Indefinitely rising interest rates

hurt the economy. But we tried to keep pace with the rest in order to keep our customers satisfied.

"Now that the economy has returned to normal, we must end this race.

"We hope that all brokers will come together and reach a gentlemen's agreement to end this harmful interest race."

Nejat Gunal, Director General, Fintas:

"We are contemplating lowering our interest rates. We discussed this issue previously with a number of institutions, but an official decision was not taken. Now, we want the results of those discussions to be official."

Altan Hadimli, Director General, Genborsa:

"The interest rates paid by Genborsa were not higher than what they should be. Those who are lowering their rates now were offering abnormal rates. Consequently, our rates will remain what they were.

"In the past, we told government officials as well as brokerage institutions that the rates offered were too high. But they replied: 'Let everybody be responsible for himself.'"

Ilhan Izibelli, Executive Council Chairman, Serpa Capital and Securities, A.S.:

"The capital market was severely hurt as a result of deficiencies in the restrictive system that has been in effect since 31 December 1981 and high rates of return offered on deposits. Our company never entered the interest race. Our priority was on confidence. Interest rates must have been lowered a long time ago. It has been a long time since the economy passed the stage when it could withstand such high interest rates.

"The interest we have been paying to our depositors is lower than the current market level. Consequently, we are not contemplating any changes."

Eko-Yatirim stated that they will announce later on whether they will lower their interest rates.

Meanwhile, Dr Nejat Eczacibasi, Executive Council Chairman of Eczacibasi Holding, said in a written press statement that "unregulated brokers will never return to life."

Stating that "the phase we are going through has been expected for some time," Eczacibasi said: "The interest race we experienced assumed proportions that were beyond what the economy could tolerate. The promise of a real interest rate that could exceed the inflation rate by this much was condemned to remain nothing but a promise."

Noting that the system attempted was not based on definite economic profitability and that the sole goal was the transfer of paper money, Eczacibasi said that it is

well known that systems based solely on the circulation of money are bound to collapse. Eczacibasi said: "Given an economic growth rate of around 4 percent and the known real savings trends, one could predict this outcome with an accuracy range of days."

Eczacibasi said that the people relied on their common sense even in this distorted system and that, consequently, many savers deposited their money with solid institutions which did not enter the interest race and which were offering interest rates 20 points below the general market level.

Eczacibasi noted that in the aftermath of recent incidents genuine financial institutions have been able to fully meet their commitments and to keep abreast of all demands made on them without needing to ask for time.

Stating that "the past few days have undoubtedly had a beneficial effect on our economy," Eczacibasi said that the people have learned a painful lesson in the importance of confidence.

9588

CSO: 4654/371

BATTLE INTENSIFIES OVER MINIMUM WAGE

Istanbul MILLIYET in Turkish 1 Jun 82 p 6

[Report on 31 May statement by Deputy Prime Minister Turgut Ozal and reactions from labor leaders]

[Text] The problem of the minimum wage, which has been one of the "hottest" topics in recent days, has become even "hotter" following a statement given yesterday to the Anatolian News Agency by Deputy Prime Minister Turgut Ozal. It is now beginning to look like this problem will create tensions between the government and the new leadership of Turk-Is.

While Sevkettin Yilmaz, the new president of Turk-Is, released a statement yesterday stating that "we will be prepared within the next week to meet with the Minimum Wage Standards Commission," remarks by Deputy Prime Minister Ozal, to the effect that "they are merely trying to raise the ceiling on severance pay in order to benefit themselves and a few others," have created the danger that hopes for a solution to the minimum wage problem will once again be stymied.

The problem has been made irresolvable by the fact that so many of the individuals concerned, from labor union leaders to government officials, have issued different statements over the last few days regarding minimum wages.

The minimum wage last year was set at 10,000 liras gross (7,200 liras net), a rate put in effect on 1 May 1981 for a period of two years. Now one year later the unions and Turk-Is claim that in that span of time inflation has invalidated that rate and they are demanding an increase, which has brought the subject to the agenda once again. Turk-Is states that the real daily productivity of a worker fell from 17.91 liras in 1963 to 13.91 liras in 1981, while the minimum wage, which stood at 8.91 liras in 1963, dropped down to 8.54 liras by 1981. Accordingly Turk-Is has demanded that a new minimum wage rate be set to account for the rapid inflation.

Although government officials at first stated that minimum wage rates could not be reset before the two years were up, when faced with the continuous and insistent complaints of labor organizations they adopted a more conciliatory posture. As a matter of fact Prime Minister Bulend Ulusu, in a speech before the 12th Turk-Is Congress last week, conceded that the minimum wage was

inadequate and announced that he would call a meeting of the Minimum Wage Standards Commission in the near future.

Prime Minister Uluşu anticipated that for the resetting of the minimum wage it would be necessary to abolish the linkage between the minimum wage level and severance pay. The reason for this is that at present severance pay is calculated as 7.5 times the minimum wage accumulated over 30 days.

It was asserted that the total amounts produced by such a method of calculation, when added to the costs of the minimum wage's other repercussions in the public sector, would bring about a fiscal burden in the neighborhood of 70 billion liras.

In spite of all of these difficulties, the positive attitude shown by Prime Minister Uluşu at the Turk-Is Congress at the very least created the impression in the public's mind that the minimum wage might be raised in the near future. Since it was known that some members of the Turk-Is leadership were opposed to abolishing the linkage between the minimum wage and seniority compensation, some doubts still remained, but it was assumed that a solution could be found through face-to-face negotiations.

Ozal's Statement Unsettling

However Deputy Prime Minister Turgut Ozal's statement, given yesterday to the Anatolian News Agency, has created the impression that the hopes for a negotiated settlement of this matter are going to be stymied. In his statement Ozal said:

"Unfortunately, those who exploit the issue of minimum wages know that among unionized workers there is just about no one who works at the minimum wage. In fact the prime minister, in his speech before the 12th Congress of Turk-Is, said that the situation would be taken under consideration provided the linkage between the minimum wage and severance pay is abolished.

"However, spokesmen for Turk-Is in speeches addressed to the same congress made it known that they would never consent to abolishing this linkage. This shows that, as we have already stated, these demands are not being made for the purpose of raising the minimum wage. Our view of this matter is once again shown to be correct. Its correctness is being openly and publicly proven. I repeat, they are not thinking of the working people who labor at the minimum wage, workers who are not union members. They are not giving any consideration to the fact that with the raising of the minimum wage unemployment will increase at such work places.

"In their own statements they claim that the number of unemployed is approaching 3 million, but they are not thinking of the unemployed.

"They are merely attempting to raise the ceiling on severance pay levels, which will benefit only themselves and a few other people."

To the question, "What will be the situation if the Turk-Is leadership insists on maintaining their position on this matter?," Deputy Prime Minister Ozal responded, "The position expressed by the prime minister, by myself, and by our government is clear. There is no need for any further explanation."

How Many People Work at the Minimum Wage?

Union members claim that Deputy Prime Minister Ozal's statement that "there are almost no workers who work for the minimum wage" does not reflect reality, and they give statistics to refute it.

According to figures from the National Insurance Administration, in 1981 some 25 percent of insured workers were receiving the minimum wage. This ratio represents close to 600 thousand workers. Trade unionists, who state that in Turkey there are officially close to 600 thousand workers working at the minimum wage rate, went on to say that among uninsured workers there are also those who are being made to work at the minimum wage, and even at wage rates below the minimum wage. They further state that in the textile trade, which is the largest employer, the average wage is around 12 thousand lira.

The Concept of a Minimum Wage is Unclear...

In addition to these figures concerning the minimum wage, there are also divergent views being put forward regarding the concept of a minimum wage.

While Turgut Ozal claims that the minimum wage does not concern many people, labor leaders and academic experts point to yet another aspect of the problem.

As a matter of fact, at the last Turk-Is Congress, its former President Halil Tunc gave a speech in which he said the following: "The minimum wage cannot be disputed, since it represents the smallest wage with which a person can continue to go on living."

In speeches at the same convention, Minister of Labor Prof Turham Esener and social scientist Prof Cahit Talas also emphasized that the minimum wage has to be a wage that "is in harmony with human dignity."

What now?

In the wake of these disputes, Prime Minister Ulu's conditional but moderate approach created the hope of a solution, but after yesterday's harsh position adopted by Deputy Prime Minister Ozal, the outlook for the situation is once again doubtful. In the event that dialogue on this subject between the government and Turk-Is is cut off, it seems likely that public dissatisfaction among workers will increase.

It is because of this that the first meeting of the new Executive Board of Turk-Is, which is to be held in the next few days, has assumed special importance.

As for Turk-Is Secretary General Sevket Yilmaz, he pointed out that studies at the expert level which have been begun on the subject of the minimum wage are still under way, and he announced that within the next week all organizations and agencies concerned with the subject would take official positions regarding it. Yilmaz said, "We will be ready for the meeting with the Minimum Wage Standards Commission within the next week."

Yilmaz added that university faculty members and members of the press would also be asked for their views on labor issues, the minimum wage, and similar subjects, and that their views would be evaluated along with those of the experts.

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CSO: 4654/346

PARLIAMENTARY WORK CAUSES GREEN PARTIES TO EVOLVE

Becoming Like Other Parties

Hamburg DER SPIEGEL in German 28 Jun 82 pp 52-54

[Text] The Greens are very quickly on their way to becoming a party like any other: scarcely had they taken their seats in Parliament when they began clamoring for increases in their allowances.

In the new Lower Saxony Landtag, which constituted itself last week, there are two classes of legislators: the one group draws about 8,000 marks a month gross in per diem and expense allowances, the other has available to it only a fraction of that amount; most of it is drawn off for party or public support activities.

The legislators with the thin purses all belong to the fraction of the Greens, which after capturing 6.5 percent of all votes cast and 11 seats in the Landtag after last March's by-elections, now want to demonstrate in Hannover what their party associates in Hesse formulated earlier: "It should not be financially rewarding to be a member of the Landtag."

But neither should their alternative work in Parliament be altogether unrewarding either. Scarcely was the Lower Saxony election decided when the 1,000 mark limit, which a number of the Greens had fixed as the maximum monthly allowance for the parliamentary representatives, was forgotten about --as was the sum which the legislators themselves sought: 1,800 marks, the average income of a skilled worker.

At a conference of delegates in the Emsland town of Geeste, Lower Saxony's Greens voted at the beginning of this month to approve not only a 2,018 mark basic allowance but an additional 450 marks per child and a further 450 marks per non-wage-earning spouse.

Thus the legislator Martin Mombauer (married, three children) now takes home 3,818 marks net--and is soon to get more. The allowances are to be increased at a rate of about 5 percent per year on a sliding scale.

Compared with the CDU-, SPD- and FDP-deputies, who are engaged in their Land's political affairs for about 8,000 marks per month, the hikes in the Greens allowances appear almost insignificant. Yet the increase does mark what may be a serious political change, to which the new party has been everywhere subjected.

The Greens and the Alternatives, who were initially a loosely knit and motley association of rank and file ecology groups and peace partisans, members of tenant initiatives and Spontis, have quickly evolved into a political party like any other. What their national party chairman, Petra Kelly, boasted of recently as an "anti-party" party, is on its way to becoming a party-party. Vigorously proclaimed principles--"imperative mandate" (deputies obliged to follow party and constituency resolutions rather than individual voting preference) and rotation of parliamentary seats at each half-session, mini-allowances and amateur status of party functionaries--in many places have already been modified. Alongside the moralists, who still cling to the injunctions for political purity generated at the party's founding, there are now Alternatives on the scene who would pay appropriate tribute to the actual or assumed requirements of practical politics.

The chairman of Baden-Wuerttemberg's Greens, Marieluise Beck-Oberdorf, for example, is now demanding the employment of professional politicians. The only people who can undertake the job of Land chairman on a part-time basis are "students, pensioners or the rich." Since Ms Beck-Oberdorf did not want to combine her two jobs as teacher and Land party chairman permanently, she announced her resignation. "There is no way," prophesied Roland Vogt, member of the Green's national executive council, "that we can escape having our concerns represented by professional politicians and having to pay them appropriately."

It also appeared that the attempt to bind deputies to rank and file resolutions through an imperative mandate was doomed to failure. "I will not allow myself to become," asserted Goerg M. Fruck, deputy in the Lower Saxony Landtag, "the party's marionette." In two Lower Saxony local government councils, members of the Greens, despite clear party resolutions, have already shifted to the CDU.

Nor have the Greens everywhere been able to stick to their promise that deputies would be relieved by successors at the middle of a legislative period. Candidates from the regional administrative districts of Lower Bavaria and Swabia, who succeeded in gaining entree to the Munich Land Parliament after last October's elections, will now be able to retain their seats until the end of their terms, according to recent resolutions.

In Hesse, the regional party organization of the district of Gross-Gerau--where Green election chances are high because of the dispute over the expansion of the nearby Frankfurt/Main airport--saw itself obliged to abandon the rotation policy: "If there is no exception from the rotation principle for direct candidates" (as distinguished from those designated by the party on the basis of total votes cast), threatened the Gross-Gerau members, "then none of us is going to run." The Social Democrats especially, whose potential

voters have been increasingly captured by the Greens in one election after another, have been watching the change in the movement with unconcealed glee. The SPD-journal VORWAERTS recently proclaimed that the "noble principles" of their new competitor have "begun to falter," that their "rank and file innocence" had been lost.

How justified the fear of the Green chairman Kelly that "we could start to think in all too parliamentary a fashion." is proved by the manager of the Rhineland-Palatinate SPD Landtag fraction, Rudolf Scharping, in a previously unpublished analysis of 300 debate statements by Green deputies in various Land parliaments: the parliamentary system, from "personnel debates" to "questions of allowances" was the subject of more statements from the floor than, for example, the area of "ecology and environment."

As in Lower Saxony, the Greens attitude toward money has changed in other areas. While the principle still holds in Berlin and Hesse, that every mark paid in allowances over and above the party's designated basis, spouse and child allowance, must be routed into a common fund. Though there was talk in Lower Saxony during the election campaign of the "Eco-fund" being used primarily to subsidize farmers who would convert their operations to organic agriculture, part of the fraction's allowances are now to be applied to the creation of a Land-wide network of party offices.

Neither is there a great deal of cash left for organic farmers in Baden-Wuerttemberg: the six Greens in the Landtag (slogan before their election --"Allowance Explosion--No Thanks") are cutting their allowances and expenses by about 7,000 marks. Each of them remits 1,000 to 1,700 marks to his county organization. And already, as the Baden-Wuerttemberg SPD Landtag deputy Alfred Geisel has observed, pressure is being exerted "by the Greens--with their hands held out--for a prompt and appropriate increase in their deputy's allowances" (see following article).

The "Alternative List" (AL) deputies in Berlin have been particularly adept in fighting for higher allowances. Instead of arguing, as they did very effectively before the election, for cutting allowances in half from 4,000 to 2,000 marks, they have recently demanded that the allowances for all deputies be set at 3,500 marks--including those members employed by the civil service who have been allowed only 2,000 marks under a special provision.

What looks at first glance to be a selfless economy motion is, in fact, a ploy which could lead to a monthly amount of 7,500 marks per deputy or a total of 36,000 marks being directed into Green pockets: six of the nine AL deputies belong to the favored group of civil servants.

Notions about the allowances to be paid to deputies have also begun to change in those Land organizations whose members are not yet represented in their parliaments. The Saarland Green chairman, Brigitte Berthold, for example, sees the special allowance for non-employed spouses of Green deputies in the amount of 550 marks monthly as "too low," when it was discussed in the local party organization. In North Rhine-Westphalia the party even resolved

generously that a Green legislator should receive sufficient funds "to assure a standard of living that matches his individual circumstances."

In case a Green from the electoral district of Upper Bavaria should be admitted to the Landtag at Munich, he will find himself financially no worse off than his colleagues of the CSU or SPD, who can dispose of at least 4,000 marks after taxes. Bavaria's Greens would manage with 3,500 marks, plus 500 marks per child--gross instead of net.

View of SPD

Hamburg DER SPIEGEL in German 28 Jun 82 pp 56-58

[Text] While Hamburg's Social Democrats are debating the possibilities of parliamentary cooperation with the Greens, confidential studies are being circulated among top SPD leaders in Baden-Wuerttemberg and West Berlin concerning the policies of the Alternatives. The studies, which were prepared for the conference of SPD floor leader in the Land Parliaments, record "a degree of naivete" and "moral fundamentalism" among the Greens, paralleled by "tendencies to adapt" in questions of proper attire and a "very interesting about face" on financial questions: "behind their extended hands" the parliamentary newcomers are pressing for increases in their per diem allowances. DER SPIEGEL is publishing extracts:

Stuttgart SPD Landtag deputy, Alfred Geisel, reports on "practical experience with the Greens in the Baden-Wuerttemberg Landtag:

At their last two Land party congresses the Green deputies were subjected to heavy criticism from their rank and file, mainly for their lack of success, their lack of aggressiveness and the accommodations made by the deputies to the normal operations of Parliament.

The cause may lie in the fact that the six Green deputies, who appeared at the opening session of Parliament in open shirts and with flowers on their desks, in the meantime have largely integrated themselves into the activities of the parliament and have shown themselves, in their relations with their parliamentary colleagues to be absolutely civil and accessible.

This changed attitude toward the activities of the parliament can also be seen in the fact that there is no longer any talk of their originally proposed rotation of deputies at the middle of each legislative period and that there has also been a very interesting about-face evident on the question of the per diem allowances to be paid to the deputies.

Although a bill for the reduction of such allowances had been proposed by the Greens in the fall of 1980 (which was put on ice with their approval), the Greens are now--though behind their extended hands--pressing for an early

and appropriate increase in parliamentary allowances. In addition, a salaried Land party chairman's position is soon to be established.

The upshot of all this is easy to see: practical cooperation with the Greens poses relatively few problems; yet their political activities offer few starting points for a meaningful collaboration.

The relatively few practical problems can doubtlessly be traced to the joint willingness of the three other fractions to integrate the Greens into the work of the Parliament from the very beginning. Although the Greens did not form a fraction--according to the by-laws at least eight deputies were necessary to do so--, they have as a group enjoyed all the rights of a fraction.

In general they have been allowed the same floor time in plenary sessions as have the other fractions, though they have frequently not taken advantage of this because of their lack of background knowledge or interest in the topics. The Greens are represented in all committees of the parliament including the council of senior members. For this reason the number of seats in the committees was increased to 19. This measure also has proved its value, although the group's practical participation in the work of the committees frequently gives signs of their political inexperience and overwork.

Initially the Greens were treated by the press and television with a marked degree of good will toward the "parliamentary exotics" and looked upon as interesting "finger painters." This unjustifiably positive assessment has begun to change little by little as the naivete and problematic nature of many of the Greens concepts and activities becomes evident.

The Berlin SPD deputy, Gerhard Schneider, writes concerning the "experience until now with the Alternative List in the city's parliament:

The "Alternative List for Democracy and Protection of the Environment" (AL) has laid claim in Berlin to a broader political function than simply being the "Green party." They are not to be regarded as a political party in the traditional sense but as the organized expression of a political counter-culture.

The AL rejected the opportunity for spectacular "happenings" in Parliament and did accept the by-laws. To date there have only been two motions for changes in the by-laws proposed by them. The AL was granted the status of a fraction from the outset and is represented in all committees as well as the presidium of Parliament.

In their "rules of decorum" the AL deputies have increasingly shown a tendency to conform; they have taken part in receptions (including the one for [former] U.S. Secretary of State Haig). Their manipulation of fraction allowances is arbitrary and at times in violation of the rules. As a rule they get along without clerical assistance, but spend a great deal more money than the other fractions for public relations advertising and have financed political projects in the city and beyond (even aid to Poland).

The jointly accepted approach of the three "traditional" fractions in the house from the very beginning was to accept absolute equality of treatment for the AL. This resulted in the AL's having no cause for complaint over "administrative restrictions."

According to their own statement, the AL deputies see themselves at the "parliamentary loose leg" of a movement which has its "standing leg" outside Parliament. Their voting behavior must be looked upon as extremely complex. The AL deputies are not at all timid of contact with other parties and, depending on the issue, will vote with any fraction against any other fraction.

The self-image of the Alternative List, in short- and medium-range terms is definitely "Left." Their striving to be a fundamental opposition, however, is increasingly diminishing. The gradual tendency of the deputies to become integrated in Parliament has led to conflicts with their rank and file. It remains to be seen to what degree the intention of rotating AL deputies at the middle of the legislative period, which was announced before the elections, will become a fact.

The AL does not dispose of any coherent political-theoretical concept along which lines their parliamentary activity is oriented. (The lack of such a rational overall concept distinguishes them primarily from the protest generation of 1968.) A certain emotionally laden idealism with all surprise effects has been raised to the level of a principle.

The AL is--as one of its members accurately put it--"an omnibus, which anyone can board and ride as far as he likes." A strong moral fundamentalism affects negatively their capacity for compromise.

The AL thus corresponds closely to widespread sentiments among the younger generation. It is a generation-specific youth "party," which has also evolved correspondingly youth-oriented forms of political activity, both internal and external.

The AL and the CDU overlap in the demands for a reduction of the influence of the state. Its socio-political ideas, particularly concerning the role of the state in society, are fundamentally different from those expressed in basic Social Democrat thinking.

The TAGESZEITUNG on 10 March 1982 published an analysis reviewing "8 months of CDU government in Berlin:" . . . "there is no doubt a certain affinity between conservative and alternative-individual ideas. These ideas, when contrasted with social democrat-communist notions of progress are valid and attractive. The Left, together with the CDU, holds personal liberty in high regard and, at the same time, is beginning to look askance at the ideas of equality and fraternity--however deformed they might be--which inform Social Democrat policy."

Not least because of analyses such as these, which in my opinion are not that far from the truth, I am drawn to the conclusion that many an AL voter, once he has established himself socially and economically, will find his path to the CDU shorter and more direct than to the SPD--quite in contrast to the protest generation of 1968, whose intellectual foundations and socio-political concepts were capable of integration by the SPD.

SPD IN BREMEN CRITICIZES POLICY OF FEDERAL GOVERNMENT

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 13 Jul 82 p 4

[Article by Wolfgang Heyen: "Bremen SPD Keeps Its Distance"]

[Text] Bremen, 12 July—In Bremen, which is run by the SPD alone, leading SPD politicians are growing more and more unhappy with the policies of the Bonn government. This is not only due to the budget decisions which should hit this smallest Land—which already has above-average unemployment to contend with—harder than the other Laender. The unions are already calling for collections this fall and the target of their criticism is not the FDP in Bonn alone but the SPD as well. Against this background, leading Bremen politicians—as for example the senator for health, Breickner—are using sharp language in distancing themselves from their Bonn partisans and it is becoming clear that they are unwilling to go along with all aspects of the chancellor's policies.

Leading the pack, the president of the Bremen senate, Koschnick, has called on the government "to govern." In an interview with this newspaper, Koschnick said he hoped "a time would come again" in Bonn "where the normal business of government could be conducted instead of having the coalition partners engage in unproductive confrontation." The SPD Land chairman for Bremen, Kunick, is afraid that the deep cuts in social programs will lead to the Bremen SPD having to clean up a mess it did not start. Also in an interview with this newspaper, Kunick pointed out that the Bremen elections will be held in September 1983, prior to the national elections, and that the Koschnick team might be a heavy loser in the Landtag elections as a result of government policies.

The Bremen head of government's critique of Bonn refers in particular to the structural problems faced by the four coastal Laender of Bremen, Hamburg, Lower Saxony and Schleswig-Holstein. Koschnick recalls that these Laender—their differing political leadership notwithstanding—have worked out a common program—the coastal structure plan. The two SPD and the two CDU chiefs of government of these Laender are also agreed on urgently calling upon Bonn "to help finance the changes in the infrastructure of the coastal region." This includes work on channels for seagoing ships, on transshipping and port facilities, on roads and on energy and water supply, Koschnick says. He finds it deplorable that the Bonn economics ministry did "not make use of new structural concepts as it had in the Saar or the Ruhr." In the final analysis, he says, the four coastal Laender are faced

with the same problems while admitting that Bremen itself must work out the "necessary guarantees for business." "These are things we are working on," Koschnick says.

In this connection, both Koschnick and Kunick claim that the Bremen SPD has shifted its priorities away from the entitlement thinking espoused by certain quarters. Since Bremen has a large debt to contend with already, Koschnick is against additional deficit spending to meet "general needs." But if it is a question of protecting "jobs worth saving," there would be no taboo on deficit spending. But there would have to be a reduction in "the trend to fund the general budget through additional credits."

In view of the special problems facing the Bremen shipbuilding industry, it is interesting to see both Koschnick and Kunick clearly coming out in favor of private sector programs, even though Bremen has already participated financially in the industry. Kunick, for one, claims not to know of any credits that point in the direction of a "state-owned shipyard." Koschnick told us of new studies concerning the future of the Bremen shipbuilding industry. The studies include leaving things as they are but also range from cooperative arrangements between the two largest shipyards Bremer Vulkan and AG "Weser" to an outright merger of the two companies. "The Bremen senate has not yet come up with a preference," Koschnick said. The problems of the shipbuilding industry, he said, might be resolved through management alone and this would depend on whether "the particular company was producing at competitive prices." Generally speaking, he added, "things are looking up in Bremen" in that labor and management were more ready than heretofore to "meet each other halfway on economic issues in order jointly to combat economic difficulties."

Koschnick said he was pleased by the fact that he and Minister President Albrecht (CDU) of Lower Saxony have succeeded in agreeing on a solution for the industrial park to be established on the so-called Luneplate near Bremerhaven after many years of haggling. Both heads of government, he said, are in a position "to stand up convincingly" for this solution in their respective Laender.

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BRIEFS

PLO DENIED DIPLOMATIC STATUS—The PLO may set up an office in Finland but it may not have diplomatic privileges. This is what Foreign Affairs Minister Par Stenback said, who also asserted that there have been no changes in Finland's relations with the PLO. The PLO has constantly maintained that the precondition for its establishing an office is diplomatic status. Foreign Affairs Minister Stenback reminded the PLO that diplomatic relations can only be maintained between nations. Thus the functions of any such office would be informational in nature. [Text] [Helsinki UUSI SUOMI in Finnish 20 Jun 82 p 4] 11466

CSO: 3107/143

KARAMANLIS-PAPANDREOU AGREEMENT ON ISSUES STRESSED

Athens TA NEA in Greek 4 Jun 82 pp 1, 4

[Text] Yesterday's talks between the President of the Republic Konstandinos Karamanlis and Prime Minister Andreas Papandreou, were--according to reliable sources--more fulfilling (and therefore very useful and covered both external and internal issues) given their length: a government spokesman explained that the prime minister stayed for more than 1 hour at the presidential palace to brief the prime minister.

Having these talks as a basis, the official statement about the general discussion as well as additional information secured by TA NEA indicate that:

A statement made by Mr Andreas Papandreou that same night should be examined under the scope of his meeting with the president of the republic. The statement concerns the decision by Greece to extend territorial waters in the Aegean to 12 miles.

The statement by the prime minister came, however, after yesterday's telegram from Ankara over a Turkish statement that Turkish territorial waters in the Black Sea and the Mediterranean--but not in the Aegean--extend for 12 miles from the shores. (Details follow).

It should be pointed out that yesterday's talks between the president and the prime minister also referred, as mentioned above, to internal issues. There is no indication that the evaluation of the talks that focused on internal matters should be any different. On the contrary....

"It is certain that the president of the republic is showing, and he is not trying to hide it, special interest on all subjects related to economic and social developments and that he considers the maintenance of calm and social peace as very important. Given this meaning, the positions taken by the president of the republic are extremely "timely" and come at a moment when for clearly political reasons (as the government has officially denounced) strikes are being called for and progress is being undermined.

In any event, sources believed to know "the daily developments" and believed to be in a position to "measure" political and other "temperatures" point out that yesterday's talks between Mr Karamanlis and Mr Papandreou went "very well" and the results are real.

ND SAID TO BE HEADING FOR NEW CRISIS

Athens ELEVTEROTYPIA in Greek 13 Jun 82 p 4

[Article by Arist. Manolakos]

[Text] The battle of ideas which the New Democracy Party is preparing to wage beginning the day after tomorrow in the Chamber of Deputies, with the help of a number of interpellations, constitutes its first systematic endeavor--following the "high command" truce of its contending groups--to have a parliamentary confrontation with the government. All the leading names of the New Democracy Right will be present, and it is certain that E. Averof will ask Premier A. Papandreou to attend and to respond to at least some of the interpellations, such as on the "saboteurs" and on foreign policy. The leadership of the ND will be striving for a period of about 20 days, until the conclusion of the first session of the Chamber of Deputies, to attract the attention of the public to it. But despite all the ND's scaremongering and despite the expressions of dissatisfaction with the government heard from certain social groups in the urban centers, the major part of this public is hopeful that PASOK will measure up to its expectations.

The Strikes

Indeed, it is rather early for disillusionments, scarcely 8 months after PASOK took over the governing of the country. In a period of accumulating problems whose solutions are being asked from a party which is essentially a newly-formed organization, with a body of officers which is inexperienced but which has the desire to lead the country out of its deep and protracted crisis. But it is not too early to point out certain manifestations of a lack of cool-headedness which--whether or not they are due to confusion--repeatedly threaten to do harm to the relationship of trust between large social groups and the government, and to disorganize the "front for Change." A characteristic example is the government's treatment of the strike of the bank employees, which the labor-union group of PASOK itself brought about, and which ended in bringing into confrontation with the government one of those large categories of workers on which the governing party based its rise to power. And we do not mean the imprudent satisfaction of demands--we mean the treating of the strikers as underminers of the Change, which added fuel to the explosive psychology of a struggle which began as a labor-union struggle and took on a political character mainly because PASOK treated it as such and in fact by methods which are unorthodox for a democracy.

In the ND's approaching battle of ideas, the use by PASOK of its trade-union group, for example, to break the strike of the bank employees constituted an un hoped-for gift to the ND which it could use in reiterating in the Chamber of Deputies the constant refrain of its propaganda, that the government is striving with every means to subordinate everything to the party in order to perpetuate its power. Of course, the credibility of the ND has been scattered to the winds by the many years of dictatorial governing of the country by the Right in the past. Nevertheless, the fact should not be undervalued that even if the ND itself is not in a position to cash in from its polemics against the government, it is in a position to cultivate a mistrust towards PASOK on the part of centrist-liberal voters. At this point it seems that the ND is shifting its political line more toward the center, in the hope that it will benefit in the near future. And it is not accidental that precisely in this period K. Mitsotakis is seeing his own stock in the ND rising, since Mitsotakis adheres to the center-right wing of the party. The fact is indicative, it seems, that as sponsor for candidates which the ND will be supporting in the coming municipal elections, Mitsotakis rejects the candidacy of the junta member Skylitsis in Piraeus, so that his party can avoid suffering politically a moral defeat in the minds of centrist voters.

Perhaps the 20 days of ND interpellations in the Chamber of Deputies may not turn out to be a major political event--with spectacular confrontations like those of the two previous post-dictatorship parliamentary periods--since it is in the government's interests to belittle them and the ND lacks the prerequisites to impose them. But it is probable that this will reveal the present correlations and movements within the ND, which according to every indication are a long way away from the crisis of last December, when E. Averof assumed the party's chairmanship.

Toning Down the Conflicts

Today, the disruptive tendencies and movements have lost strength. It was not too long ago that the crisis had emerged in the corridors of the Chamber of Deputies, and discussions on the establishment of a center-right party took place with officers of the ND and with other figures. All these things decidedly discouraged the founder of the party, who is also reported to be the inspirer of the idea of creating a political council around Averof, so as to tone down the conflicts.

Furthermore, in one case a PASOK parliamentary figure dissuaded a colleague from withdrawing from the ND. The opinion of K. Karamanlis on preserving the cohesion of the parties is well known from his public intervention for the sake of the smooth settlement of the post-election leadership crisis in the ND. Reports state that lately this has been repeated occasionally to every quarter. In light of this, Averof was obliged to proclaim that the framework for coexistence in the ND is the ideological principles of radical liberalism, and--following the death of Khr. Stratos--he entrusted to I. Palaiokrasas the secretariat of the Parliamentary Group and to K. Mitsotakis the responsibility for the municipal elections. Although it is certain that the latter will not avoid shouldering the burden for a new electoral failure of the ND by his assuming this responsibility, he has managed for the first time to get himself legitimized within the party machinery and to acquire a network of personal contacts throughout the country. At the same time, he has the option of imparting to the ND's general election presence

a center-right coloration, thus taking out a mortgage on the future. It seems that from the comments and expressions by ND deputies important shifts have taken place even within the parliamentary group, while there are clear indications that in the ND the preferences also of the people known as the "American group" are beginning to turn towards Mitsotakis. The devising of the interpellations is considered to be his own work also, and it is certain that he will not let slip the opportunity to take the floor during their discussion.

Most likely these realignments in the ND will lead to a new crisis, following the municipal elections, since at that time all the conflicts with respect to ideological directions, political line, and personal ambitions will return to the surface. For the present, every group is striving to gain better positions, and despite the strong interventions to the contrary, nobody has given up on the idea yet of having the various movements separated into two independent and mutually complementary parties--the one leaning more toward the Right and the other toward the Center, with the objective being to broaden the electoral strength of the presently unified Right.

12114

CSO: 4621/400

REPORTED PASOK ATTACK ON KKE

Athens RIZOSPASTIS in Greek 6 Jun 82 p 1

[Text] Members of PASOK leadership are working for the rallying of anti-KKE elements within the ranks of the Left, thus giving a new dimension to the more general attack that is being organized, especially at this time, against the KKE.

According to the information, a decision has been made to increase economic and political support to "initiatives" of the so-called "anti-dogmatic" section; this, in order to create an anti-KKE party formation that would unite to the maximum possible extent, marginal groups and forces of the Left. The issue has occupied even higher government echelons which decided that the KKE should be "isolated." It was from there that the "go" signal was given for the development of the above stated efforts.

Related to these developments is the clear effort to "revitalize" today's EDA, so that it would become a pole for rallying anti-KKE forces. Therefore, it is not a coincidence that the state information media have given considerable publicity to its anti-communist announcement, which in a way, set the "political framework" for the whole effort. It is even being said that Mr Glezos has received promises that he would be named minister, possibly taking over the Ministry of Labor.

It should be noted that a similar attempt was made shortly after the October elections; these efforts had been given up temporarily, however, after some more realistic thinking. The new efforts are linked to the more general turn the government has made, shifting towards a policy with conservative directions; undoubtedly, these efforts are aimed at serving this policy. It is clear, however, that those who have inspired the anti-KKE fabrications are making a bad evaluation of reality. They not only refuse to learn from the "experience" of the Right, whose similar efforts failed pitifully, but they also underestimate the people's foresight and at the same time, overestimate their capabilities.

8193

CSO: 4621/395

DETAILS ON MUNICIPAL ELECTIONS PROCEDURES

Athens TO VIMA in Greek 17 Jun 82 p 7

[Article by N. Krikis]

[Text] The text of the bill on the electoral system which will be used in conducting the approaching municipal elections has been given to the political parties and journalists by the Ministry of the Interior.

As was announced yesterday by Minister of the Interior Gennimatas, following observations by representatives of the political parties and organizations of local self-administration, the text of the bill will be framed in its final form and will be introduced into the Chamber of Deputies next week, so that it can be voted on by the plenum of this body.

The bill keeps the same electoral system for the election of the municipal mayor and the communal mayor, with certain modifications. It introduces two independent electoral systems for the election of the municipal and communal council members, provides for two distributions of seats in the second voting, retains the single vote, and restricts the number of municipal council members. It introduces the institution of deputy mayor and the institution of Council of the District.

Specifically:

The election of the municipal mayor will be done in two rounds whenever in the first Sunday none of the candidates musters an absolute majority (50 percent plus one vote). In the second round, the voting is repeated only among the candidates for mayor of the two tickets which received the most votes, with a relative majority being enough. The same is true also for the election of a communal mayor in communities with more than 5,000 residents. In the other communities, a relative majority is enough.

Of the total seats of the municipal and communal council members, 3/5 of them go to the ticket of the mayor who received the absolute majority in the first Sunday, and 2/5 belong to all the others on the basis of the proportional system. In this case, the electoral measure is the quotient which results from dividing the total number of valid ballots received by all the tickets together--except the successful ticket--by the number of seats corresponding to 2/5 of the seats, increased by one unit.

If in the first Sunday the mayor's ticket musters more than 60 percent of the votes, then the distribution of all the seats is done in a proportional fashion among all the tickets. And this is because here the first-place ticket exceeds 3/4 [sic] of the seats.

In case of a second voting, the seats are distributed in two distribution stages; half of the seats are distributed in the first stage and the remaining ones in the second.

The seats of the first distribution are apportioned proportionately to all the tickets which took part in the first Sunday's voting.

The apportionment of seats of the second distribution is done as follows: From the remaining half of the seats will be subtracted as many as is needed in order to make up the 3/5 of the seats of the mayor's ticket. The remaining seats are assigned to the second-place ticket which took part in the second election.

The regular and alternate council members are elected from the first voting in accordance with the preferential votes which each received in this balloting.

In connection with the institution of the deputy mayor, the following provisions are made:

Every settlement which has been registered as autonomous and which has a population of at least 100 residents is represented in the administrative body of the municipality or community by its own agent, who is elected by universal and secret balloting. This deputy mayor is elected every 4 years, on the same day that the municipal or communal council is chosen, and in the same electoral precincts. The deputy mayors participate in the meetings of the municipal or communal councils, and they have the right to express an opinion. They have a voting right only when certain issues are being discussed.

Finally, as concerns the municipal districts of the country's three large municipalities--Athens, Salonica, and Piraeus--the following are provided for: The organs for each municipal district are the council of the district and the president of the council of the district. This council consists of 15 members who are elected each 4 years along with the municipal council. The council expresses opinions and formulates proposals on various issues which concern the area of the district. The council can set up committees made up of its members and of residents of the district, for the purpose of assisting in its work. By means of petitions, the residents of the district can address themselves to the council on any issue which concerns their region, and they can propose solutions. For the sake of broader popular participation, the council can decide to promote conferences with trade-union delegations and associations, with groups of citizens, and so forth.

12114

CSO: 4621/400

LOCAL NEWSPAPERS REVIEW CURRENT PROBLEMS

Beirut Crisis Deplored

Athens ATHENS NEWS in English 8 Jul 82 pp 4, 5

[Text]

ACROPOLIS (opposition). Said in its headline: "No (wage) increases for the workers". In its editorial, it wrote that the restructuring of the government "simply increased the number of Ministers and Undersecretaries", and expressed doubts that the "new formation (of the Cabinet) will guarantee a more effective confrontation of the economic problems".

...

AVGHI (euro communist). Main headline said: "General proclamations without specific measures on inflation and development". In its editorial it referred to the antagonisms between the U.S. and Europe, "now manifest without pretexts", and said that "recognition of this reality by the (Greek) government opens new potentials for a fighting unity".

...

KATHIMERINI (independent). Projected the cabinet reshuffle: "Mr. Papandreu seeks a new period of grace after the restructuring (of the government)". In its editorial it expressed the view that "present reality makes it imperative for the new government to be firmer and to work harder".

...

RIZOSPASTIS (communist). Said in its headline: "Priority for private initiative", and in its editorial declared that "if the economic policy does not change towards an anti-monopoly direction the problems will remain and increase".

...

ETHNOS (government). Focused on the Premier's address at the Cabinet meeting. In its editorial it referred to prerequisites on which the success of the government's economic policy will depend.

MESSIMVRIMI (opposition). In its headline described the Premier's statements as "disappointing" and "a cold shower for the 52", and added that "he is enumerating dangers but also responsibilities to his ministers".

...

TANEIA (government). Under the headline: "No to the high cost of living, no to waste, no to demands", wrote that the government's immediate objective is the creation of new structures in the economy and the development of new mechanisms within which the high rate of inflation will be curbed.

ELEFTHEROTYPIA (government). There is no doubt that the Palestinian fighters are trapped in the west sector of Beirut. However, it has become apparent that Israel itself is trapped in its own cobweb. First, it seems that the Israelis do not dare to apply a military solution because there will be house fighting in the big city resulting in horrible sacrifices on the part of attackers and defenders and there is a possibility that the besieged might unite in a common holocaust, apart from the fact that it will be a stigma to annihilate 500,000 civilians. Second, as days pass the reaction inside Israel is taking large proportions with sizeable sections of the population taking it to the streets to protest Israeli policy. Third, worldwide political repercussions, as a result of this invasion, become more serious and Israel sees that its friends up to now have turned hostile towards it with unforeseeable developments. Within such a framework, the visit of socialist leaders headed by Mario Soares has taken significant importance towards the finding of a political solution to the Palestinian drama. The socialist leaders, acting on the initiative of Willy Brandt, are visiting the Middle East for the second time in an attempt to intervene between the two sides.

AKROPOLIS (opposition). It is often said that the Prime Minister has all the necessary qualifications but he has no suitable collaborators. This is a fairy tale invented to permit the chief to collect all successes and blame his collaborators for all failures. This is a fable. Because in our days no one can have all the abilities necessary to govern a country. The role of the leader is not the role of an all-powerful minister. His role is to select able and competent collaborators, guide them and co-ordinate them. If he fails in those things he is no good for leader. Consequently, it is him who should bear the main responsibility for any failure. Unsuitable ministers mean an unsuitable Prime Minister. Failure of the government means failure of its head. Those truths are more applicable now, because with the "restructuring" the prime Minister has become the only source of authority within the ministerial cabinet. He used a blank check in selecting his ministers and bragged about it. Also, he alone delineated his terms of reference pushing aside traditional procedures enforced so far. Decisions will be strictly made by him. The rest of the group will carry out instructions. So, we have a super-concentration of powers and super-concentration of responsibilities. PASOK has

given pre-electoral promises but did not live up to those promises. Who is responsible? No one else but its leader.

...

ESTIA (extreme right). According to a statement made by the representative of West German Government "the Soviet Union continues to deploy SS-20 missiles in its territory, despite the assurances by Leonid Brezhnev that production of this weapons system has been stopped. Of-course, this disclosure is no surprise to anyone taking into consideration that the Soviet Union is using the "lie" as an instrument in her policy according to the "wise" teachings of Lenin. However, the question is whether the stupid people that admire everything Soviet and consider the Soviet metropolis as the most peace-loving country in the world, will continue to believe such peace-loving hypocrisy. One must be completely blind not to be able to understand that peaceful pronouncements by Moscow are smart methods to lull the peoples of the world who are craving for peace. Are they now, however, continuing to believe in such lies when they hear that Moscow, continues to produce nuclear massive destruction weapons?"

Inflation, Wages Discussed

Athens ATHENS NEWS in English 9 Jul 82 pp 4, 5

[Text]

The government decision to take stringent measures on rising prices, the government restructure, the rise in the consumer price index during June, reports on the new heads of bank administrations, and developments in the Lebanon were the main points in yesterday's morning press, together with reports of changes in the Minister's political bureau and the talks of the East German Foreign Minister in Athens.

...

To VIMA (Pro-Government) It is a sound measure the decision made by the government to give priority to restrain the prices of food items especially fruit and vegetables during the summer month that the demand is high.

The government knows very well that in order to be able to ask the people to grant her "time" to accomplish its mid-term and long-term objectives, they in return should make every effort to make the provision of essential goods more accessible to the people. It has been repeatedly emphasized that the tackling of this problem is an inherent part of the strict control and elimination of the middle-men who interfere between the producer and the consumer.

The new Minister of Commerce meant something like that when he talked about "structural" and "institutional" changes to be applied coupled with appropriate measures to be taken immediately.

It would be useful however to inform Greek public opinion so that it knows that the matter has not been shelved, what progress has been made so far and when is it anticipated to start with the implementation.

...

ACROPOLIS (Opposition) Carried exclusive reports of the new governors in bank administrations, while in its editorial it noted that after the restructuring of the government the "Premier has virtually undertaken the largest share of responsibilities".

...

AVGHI (Euro-Communist) Spoke of a new rise in the inflation rate for June. In its commentary it referred to the Premier's address to the new cabinet and observed that "general proclamations are not enough to pacify concern".

...

KATHIMERINI (Independent) Also reported an increase in the rate of inflation during the month of June and in its editorial it expressed the hope that the government reshuffle "will mark the beginning of a successful course and policy for the good of the country".

...

RIZOSPASTIS (Communist) Focused on developments in Lebanon. Commenting on a section of the Premier's address to the cabinet that said "we have formulated a proud, multi-dimensional foreign policy", the paper pointed out that the "account of the government's work over the past eight months does not back the Premier's claims".

...

The government's decision to take measures to checking prices, the rise in the consumer price index in June and the government Council on Economic Matters (KYSYM) meeting on Tuesday, were the main topics in yesterday's afternoon newspapers. Other news given prominence was yesterday's meeting between the Minister of National Economy Gerassimos Arsenis and the Greek Federation of Bank Employees Unions (OTOE), the changes in the Premier's Political Office and the situation in Lebanon.

...

APOGEVMATINI (Opposition) in its leading topic observed that according to official data, inflation is rapidly increasing.

ETHNOS (Pro-Government) Observed that "Ar-senis' role is dynamic". In its editorial it expressed the opinion that the distinguished economist has undertaken an unpleasant and difficult task. They entered as head of the national para-economy with the noble ambition of turning it into a national economy, the newspaper added.

...

TA NEA (Pro-Government) Said that on the Prime Minister's orders, the government economic staff, as of yesterday, started to take action to curb prices.

...

VRADINI (Opportunity) Carried KYSYM's meeting on Tuesday and the increase of the cost of living in June. In its editorial it referred to the Premier's address to the new Cabinet and observed that it is not enough for one to project the difficulties in order to obtain the trust of the Greek people.

ELEFTHEROTYPIA (Pro-Government) The over-optimism felt by a few western European countries expecting that Washington was going to lower, finally, its high interest rates, which proved to be catastrophic for Europe, was ruined by the special report put out by the Organization of Economic Cooperation and Development (OECD) which, referring to the United States Government, it indicates that the policy of high interest rates will continue to the next year.

The consequences of such policy, according to OECD, will be to force countries (especially European ones) to place barriers and controls on their product exports resulting in "shaking the most important accomplishments in the post - world war era". For these reasons, the OECD report is highly critical of American economic policy which is imbued with a narrow self-interest spirit and does not hesitate to hit the interests of other countries.

But do the Americans think that with this "narrow self-interest" policy pursued are they going to prop up their economy? Rather not! OECD forecasts that the rate of development in the United States is not going to be 3 percent for 1982, as the U.S. claims, but a mere 0.3 percent with prospects for a further decrease.

'New Democracy' Evaluated

Athens ATHENS NEWS in English 13 Jul 82 pp 4, 5

[Text]

Main subjects in yesterday's Athens newspapers included the statement of the government spokesman that Greece would be willing to offer naval units to transport Palestinians from Lebanon provided it was the wish of PLO leader Yasser Arafat, the listing by PASOK of candidates for Mayor in various cities in the October local elections, and the appointment this week of new governors for various state organisations.

...

ACROPOLIS (opposition). Wrote that leading members of the ruling party were reacting against the foreign and economic policies planned by the Prime Minister.

...

AVGHI (euro-communist). Wrote in its editorial that "the various problems needing immediate solution are becoming more and more pressing, and steps should be taken for their solution.

THE SUNDAY ELEFTHEROTYPIA (government). Carried a page-one report that the Greek Navy "is ready to sail to Beirut and rescue the Palestinians from certain extermination". The paper also carried a report that the U.N. Secretary General has been invited to Nicosia to attend the non-aligned conference to be held there in an effort to find a solution to the Palestine problem.

...

KATHIMERINI (independent). In its editorial attacked the government for its economic policy and projected a report that the Prime Minister, availing himself of his official visit to Canada, will also visit Washington between 23 and 27 September for important talks with President Ronald Reagan.

...

RIZOSPASTIS (communist). In the light of the Communist Party congress to be held from 12 to 19 December, projected an announcement of the Executive

Committee of the party which asked "that the 'change' be implemented in a different manner and following a different route from the present one, and also by a government representing all the democratic forces of the country".

...

TO VIMA (government). Wrote that Greek naval units would transport Palestinians from Beirut to Syria and Egypt. It added that Mr. Papandreou had now assumed an active role in the Lebanese crisis and was keeping in touch with French President Mitterrand and the governments of various Arab countries.

...

ELEFTHERTYPIA (government). The proposal about abolishment of political asylum in EEC countries, that came for discussion before the Euro-Parliament, is very suspicious. It is suspicious because the basic thinking behind it is to "combat terrorism" desired by all the countries of the world. But, it does not clarify which category of people is considered "terrorists" and what types of actions fall within the meaning of "terrorism". In this way, every person that has a gun and uses it against state officials, whether he is a bandit or a fighter against dictators or tyrants, could easily be branded a "terrorist". Let us not forget that our own junta branded all resistance men "terrorists". Such a general term is naturally very convenient for all juntas, colonialists and any other kind of oppressor who claim "legality" when they commit crimes against repressed people who rebel against them. The fact that such a proposal was submitted by a British deputy of the conservative party, confirms this type of mentality since Mrs. Thatcher's government

brands as "terrorists" the Irish fighters even when they die slowly in British prisons from undernourishment.

We feel that Euro-Parliament Greek deputies, especially the progressive ones, will fight against such a proposal.

MESSIMVRINI (opposition). The following day after the landslide victory of PASOK in last October's elections and the defeat of the "New Democracy" Party, some of its more cool-headed members suggested a plan of action how to win the municipal elections. As it usually happens with the conservative side, the strategic concept is right but its tactical application is suffering. Nine months have already passed and the "New Democracy" Party has not yet mustered all its organizational strength and not developed its capabilities to the full for the first post electoral confrontation. That party is torn by indifference, wishful thinking, personal conflicts and ambitions, hesitation and confusion. Those who try to find excuses should not minimize the importance of municipal elections. Because, the municipal elections have always been a political determining fact. Each ruling party attributes to them a political value, positive or negative. So, not only for Greece which is an exception to the rule, but also for all parliamentary democracies the outcome of municipal elections is considered as an indication of popular support for or disapproval of the ruling party. Few are those who could deny the fact that PASOK has suffered a vertical drop of its popularity and its brilliancy has been tarnished. Many party or government members are conceding that the enthusiasm has been evaporated and a spirit of suspicion about the famous "change" has come to surface. The fact remains that one year after the parliamentary elections, PASOK will be entering the municipal elections with chopped or plucked wings.

EEC Policy Critiqued

Athens ATHENS NEWS in English 14 Jul 82 pp 4, 5

[Text]

KATHIMERINI (Independent) What the government spokesman said the other day about Greece's possible participation to a peace-keeping force in Lebanon, was very prudent. According to him, Greece is willing to participate provided there is a consensus by the United States, the Soviet Union and the three conflicting parties - Israel, Lebanon and PLO.

This clear position taken by Greece would prevent anyone from accusing the Greek government that it has external policy aspirations going beyond our country's dimensions and protect our country from being involved in foreign grave conflicts. The same clarification was made on a previous offer made by the Greek government, that it would make Greek ships available for carrying Palestinians out of Beirut if they so desire and if it is requested by Yasser Arafat himself

In areas where there are general conflagrations, like the Middle East, and during periods extremely dangerous the external policy of a small country must be characterized by realism. Under these circumstances, we can not but praise the prudence with which the Greek government reacted on these issues and delineated the limits of Greek "involvement" in the Lebanon crisis. We trust that this clarity and prudence will continue in other possible government statements regarding Lebanon.

...

ESTIA (Extreme Right) Once again Greek public opinion is being informed indirectly through Ankara, that is on issues of vital importance to our country. This is not strange since our Foreign Ministry continues

its secretive policy on the issue of "moratorium" whereas the Turkish government officials are very talkative, taking for granted that an agreement on the issue will soon be reached.

The Greek know from past experience that whatever is hidden carefully by Greece is disclosed openly by the Turks in order to strengthen their position. It is brighter than the sun that "moratorium" means "moratorium" in its fiscal meaning for Greece, the "debtor" at the consent of Turkey, the "creditor".

This new erroneous position taken by Greece will be interpreted by friends and enemies as a recognition of Turkish claims the meetings of which will simply follow up later.

...

MESSIMVRINI (Opposition) We used to write the other day about the necessity for sincerity on the part of government as regards economic developments, no matter how unfavorable they are or what impact they would have on public opinion.

The government must rid itself of the complex that because PASOK is governing everything should go well. They should not attempt to hide difficulties being experienced in order to lull public opinion. There are thousands of aspects in the economy spectrum that can not only be under control but they are also unforeseeable. Especially as regards our position within the EEC, there is a need for complete adjustment and sincere explanation and not lion-roaring. The important thing, however is not our position towards EEC, if there exists of-course a clear position, but the measures to be taken to reduce our deficit. At least for this year, such measures

can not be anything else but measures to cut public spending. There are no margins for imposition of new taxes on a heavily taxed tax-payer. Consequently, there is need for cutting expenses and not increasing tax burdens. This is the measures to stabilize our economy.

...

ETHNOS (Pro-Government) Carried the price increases and observed that the profiteers are once again menacingly moving in. In its editorial it referred to the appointment of judges and expressed the opinion that justice can become the fortress of democracy providing that it is rid of those who do not believe in its democratic mission.

...

TA NEA (Pro-Government) Projected the government's statement that Greece accepts to participate in a Peacekeeping Force in Lebanon providing there is agreement between the U.S.A., U.S.S.R. and the rival factions.

...

VRADYNI (Opposition) Published a list of candidates for Mayoracies which the New Democracy Party supports. In its editorial it referred to the appointment of the Supreme Court judges, described it as "a coup" and expressed the opinion that the appointees are obliged to fortify the independence of justice so that its functioning genuinely constitutes a fortrees of democracy.

LOCAL NEWSPAPERS REVIEW CURRENT ISSUES

Euro-Parliament Discussions

Athens ATHENS NEWS in English 10 Jul 82 pp 4, 5

[Text]

AVGHI (euro communist). Said in its headline: "Dialogue led to a settlement in the banks (strike)". Commenting on the OECD report on the Western economy, it wrote that "it is difficult to describe it as optimistic" and added that "the government should take this into serious consideration, especially concerning unemployment".

...

KATHIMERINI (independent). Spoke of a "compromise solution in the bank issue after the 43-day strike". Editorialising on the government's economic policy, it wrote that it does not respect certain rules that no one can ignore and "feels like a conqueror who can make laws with his sword".

...

RIZOSPASTIS (communist). Highlighted developments in the Lebanon: "Heroic resistance in west Beirut". In its main editorial it referred to the Cyprus question and said that the Greek government ought to grant "undivided support" to the Cypriot government for it to "resist the imperialist pressures".

...

ESTIA (extreme right). In its lead editorial referred to the rise of the Consumer Price Index, and said one of the reasons was that the government implemented a system of expenditure and not of productivity. The newspaper also observed other gloomy prospects and expressed the view that the government "should change both its system and policy".

...

VRADYNI (opposition). Carried the ending of the bank strike under the headline: "The bank employees won". It dealt with the same issue in its editorial, where it ex-

pressed the opinion that not only were the bank employees victorious but so too was free and democratic trade unionism in general.

ESTIA (extreme right). The things happening during the past two days at Strasbourg when the European Parliament was discussing a proposal made by von Hussel, one of its members, asking for the cancellation of a decision reached six months ago by the Euro-parliament denouncing the Turkish military regime, and another proposal by another member suggesting non-discussion of the crisis in Lebanon, confirm once again the climate prevailing around the world on these issues. As it has been rightly noted, as far as the Turkish issue is concerned nothing has changed in that country to justify a reversal of the Euro-parliament's decision condemning Turkey. And, nothing positive is coming out of that country about liberalization of its institutions except a vague promise about elections in 1984 and a "Constitution" already described from all sides as unliberal and oppressive. As regards the situation in Lebanon, the fact is important that the proposal made by the Danish deputy Olensen not to discuss the crisis in that country was accepted by the majority of the members of the Euro-parliament to include five socialist deputies. Don't the people governing us understand that the entire world, including the Arabs, are sick and tired with the unrealistic attitude of the Palestinians to accept reasonable offers and realize that their objectives are purposeless and unfeasible? What is the reason, therefore, that we, the

only ones, support a case of some militant fanatics (Arafat and his company), who no one knows what interests are they serving by going against the entire world.

ELEFTHERTYPIA (government). The peace-loving President Reagan, not being content with the arms race on the earth, he shifts it now to outer space. Welcoming back to earth the two astronauts who piloted the "Columbia" spaceship, he took the opportunity to declare to the world that: — The space is an area of strategic importance to the United States. — Peaceful operations in the space are in pace with the goals of US national defense. — In the next ten years, the United States will manufacture space weapons to counter attacks from satellites. As we see, the above objectives will be accomplished for "defensive" purposes only. It is about the well-known argument of the "hawks" of American policy who never say plainly that they are warmongers but they cover up behind "national defense". It seems that President Reagan and his team were concerned whether, under the pressure of world public opinion, could be forced sometime to reach an agreement to "freeze" armaments during their talks with the Soviets that have been going on for the past twenty years. They, therefore, open up a front of space armament race for which some kind of other talks should start, after having spent billions of dollars, and America would be in a position "to destroy the earth fifteen times with a single nuclear blow form satellites. Our future, as one can see, is bright and full of promises!

Turkish Junta, Human Rights

Athens ATHENS NEWS in English 11-12 Jul 82 pp 4, 5

[Text]

TO VIMA (Pro-Government) It is really comical to watch the efforts made by the opposition in trying to make the government look like a body involved in quarrels about the "per diem allowance" granted to diplomats and members of Greek military, trade and other missions abroad. The Minister to the Prime Minister does not ignore the fact that Greek officials assigned abroad or overseas cannot live off their regular Greek salary as if they were assigned to Athens or Thessaoniki. Also, the Foreign Minister knows well that this "per diem allowance" is not intended to make those officials rich or provide them with the means to compete with other nationality colleagues who come from very rich countries.

There are clear and specific criteria for the granting of such allowances according to the grade of the recipient and the country he is assigned to. The idea is to give the means to Greek officials serving abroad to lead a decent life and represent their country in a respectable manner.

RIZOSPASTIS (communist). Once more those who "had the slightest doubt about the real intentions of the reactionary majority of the Euro-Parliament" were dis-

appointed. Turning a deaf ear to the outcry of world public opinion about the crimes of Zionist invaders in Lebanon, the European Parliament refused to hold a debate on the dramatic situation prevailing in Beirut. This provocative attitude of the "fanatical" supporters of human rights forced the Greek Communist party deputies to the Euro-Parliament to quit the conference room and denounce the fact to the press. At the same time, the conservative defenders of the European Parliament renewed their support to the fascist regime in Turkey by voting for the von Hussel report. These actions are indicative of the real nature of the "parliamentary institution" of European monopolies which is trying in vain to act as "a democratic showcase".

ESTIA (Extreme Right) The hypocrites of the West have finally managed to present stained and filthy Turkey as an all-white immaculate dove, following the adoption of von Hussel's report which indicates that "Western partners, especially EEC members should show understanding for the extremely critical period in Turkey's history."

The fact, however, that the edict voted by the European Parliament has been rightly described "as a scandal and a black page in the annals of the Euro-Parliament and as an

encouragement to the Turkish junta to continue the suppression of human rights and torturing its own people", should have convinced the Euro-parliamentarians not to vote for it. For how are they going to dare to denounce tomorrow other juntas, leftist or rightist, when they have absolved Turkey?

KATHIMERINI (Independent) headlined Mr. Averof's address: "Our country has entered a period of destabilisation". In its commentary it criticised the government by saying that during the bank strike it did not inform the public of what was happening and observed that informing public opinion "is a necessary prerequisite for the success of any policy of any government".

ETHNOS (pro-government) highlighted the fires in the Attica region and in Euboea. In its editorial it referred to the housing of the courts in Athens and expressed the opinion that for there to be any result the budget should be increased.

MESSIMVRINI (opposition) carried main opposition New Democracy Party leader Evangelos Averof's speech at his party's central committee meeting on Thursday. In its editorial it dealt with the personality of the New National Economy, Minister, Gerassimos Arsenis.

TA NEA (pro-government) the statements made by National Economy Minister Gerassimos Arsenis and Commerce Minister George Moraitis during the first session of the Incomes and Prices Committee.

VRADYNI (opposition) projected the situation prevailing in the banks following the end of the strike. In its editorial it referred to the session of the Incomes and Prices Committee and the way in which certain newspapers portray the government economic policy.

CSO: 4600/655

SUPPORT TO ARAB COUNTRIES ON LEBANON ISSUE

March for Arabs

Athens TA NEA in Greek 9 Jun 82 p 1, 13

[Excerpts] Thousands of Athenians yesterday strongly condemned the Israeli attack on the Palestinian in Lebanon, by taking part in an impressive rally at the Propylaia of the University. The rally became a dynamic demonstration and march towards the diplomatic delegation of Israel at Neo Psychiko.

The march was led by Margaret Papandreou, by parliamentarians of PASOK and KKE, representatives of other parties, of the EFEE [National Student Union of Greece] peace movements.

As the demonstrators were expressing their solidarity with the Palestinian people, it was being announced that:

The representatives of the Palestinian organizations and the Arab countries were expressing gratitude to the Greek Government and to the Greek people for their "unique in sincerity support." This was a statement made by Abu Ziyad, the military leader of Nabatiyah and the number two man of the Palestinian revolution.

Al Fatah

A statement by Al Fatah delivered in Athens yesterday said that the "steadfast policy of the Greek Government towards the Palestinian cause and its solidarity with the Palestinian people, which have been expressed in government statements, are strengthening the struggle of our people, and are an example to all peace-loving forces in the world."

The initiative taken by the Greek Government to call for an extraordinary meeting of the EEC foreign ministers has been fruitful. The meeting has been set for tomorrow afternoon at 5 pm in Bonn, where the ministers of nine of the 10 member countries are attending the NATO Summit.

The decision for tomorrow's meeting was taken by the directors of the political bureaus of the ministers of foreign affairs who met in Brussels and who prepared a draft statement about Israel's intervention in Lebanon.

It should be pointed out that Arab diplomatic sources in Athens told TA NEA yesterday, that the Arab countries are determined to take drastic measures against countries which will continue their economic and other relations with Israel; the Arab countries are reported determined to even cut off oil supplies, or withdraw Arab capital deposited in banks of countries continuing their relations with Israel; they are also reported to be planning to take additional measures as necessary.

"Self-defense" the Intervention

On the Israeli side, Israel's representative in Athens, Yeheskel Barnea, during a press conference yesterday expressed regret because the Greek Government had not taken into consideration Israel's positions." He contended that the strong military intervention in Lebanon "is not an attack but an act of self-defense" which "aims at relieving the people of Galilee from the threat of bombings and rocket attacks." The Israeli representative was referring to Palestinian attacks on areas occupied by the Israelis.

The Parties Condemn

Finally, the Israeli military intervention in Lebanon has been categorically condemned in statements by KKE, EDA, and PASOK youth, while the president of ND, Evangelos Averof, in a statement, "expressed disapproval of the use of weapons for the settlement of international disputes," and he "expressed the wish that a way will be found for an early restoration of peace and order in the Eastern Mediterranean area, as provided for by the Charter of the UN and by the UN resolutions on the subject."

In its announcement, the KKE condemned the criminal Israeli military attack on southern Lebanon, and confirmed that Israel is a blind instrument of American imperialism that does not respect any UN decision and constitutes a constant danger to the security of the countries of the area and to international peace.

Excessive Support Rapped

Athens ELEVTEROS KOSMOS in Greek 10 Jun 82 p 12

[Editorial: "More Royal Than the King!"]

[Text] The PLO diplomatic representative in Athens, Shawki Armali, said in an interview yesterday that: "We are feeling alone even among our Arab brothers because even the Arab countries have adopted an attitude of waiting."

We are referring to the statement by the Palestinian representative because it proves how well the Arab countries--even the progressive ones--are weighing their position so that they will suffer less the consequences of the bloody Middle East situation. The statement also underlines how realistic would have been for Greece to avoid any involvement--diplomatic, political, and economic--in the disputes of this area of turmoils. This, unless our sentimental feelings for the Palestinians are being created by the reports sent by the ERT [Greek Radio and Television] correspondent in Lebanon, who is telling us quite

often what the commanders of the fighting Palestinian units are telling him to report to the Greek people. You see, the "leftist Muslims" and professional colleagues of ERT have more serious business to do than to refute the Israelis. If Lebanon wanted something from the Greek Government, it would have transmitted its request through its president, its prime minister, or its minister of foreign affairs. The silence alone of the suffering leadership of what was once a prosperous country is actually one of the main elements of the Middle East tragedy. It proves that it is not Lebanon but others who have the first saying. In fact, why is it that PASOK proper has nearly denounced its political covenant with Syria's Baath Party after the Syrian "protective" presence in Lebanon?

Following the war between Iran and Iraq, the current events in the Middle East which have Lebanon as the victim, have caused the reaction of all people of good faith who want peace and who condemn violence for the settlement of disputes among countries. However, when planning our foreign policy, we should remember that when Hellenism was hit by disaster, by Attila's invasion of Cyprus, nobody came to our support. Everybody was paying special attention not to break up his relations with Ecevit's Socialist-Muslims.... Such conclusions should be taken into consideration by responsible governments such as that of Greece, which is facing crucial national problems. This could happen, however, only if we were responsible and serious and not if we were importing prestige from the Middle East, to replace the prestige our country is losing steadily. Let us not appear to be more royalists than the King. Have you not read what Shawki Armali said with so much bitterness?

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CSO: 4621/395

FALLACY IN 'BALKAN DE-NUCLEARIZATION' ISSUE POINTED OUT

Athens I KATHIMERINI in Greek 28 May 82 p 7

[Text] The question of "nuclear free zones" has been discussed so extensively and the sensitivity of the common man to nuclear arms issues has increased so considerably, that someone might be taken at least as a "warmonger" if he even discussed the logic of these issues.

Indeed, we have to turn to logic when we discuss the calls for the establishment of "de-nuclearized Balkans", calls that have been heard again at Belgrade on the occasion of the Greek prime minister's visit. The slogan "Balkans without nuclear weapons" is apparently receiving support from both sides.

We know, however, that Yugoslavia does not have nuclear weapons on its territory. What is the logic then of speeches such as that delivered by the prime minister of that friendly country, Mrs Milka Planits, who foresees that the Balkans will be changed into a nuclear-free zone?

It is also known that the remaining countries of the Balkans do not have nuclear weapons on their territory; therefore, what could have been the target of those speeches about Balkans free of nuclear weapons?

The only countries that have nuclear weapons in the Balkans are Greece and Turkey. This is a common secret by now. Therefore, when we talk about a de-nuclearized Balkans we mean primarily that nuclear weapons have to be removed from Greece since Turkey has never talked about the removal of nuclear weapons from its territory.

There are no mysterious reasons behind this absence of nuclear weapons from the territory of the Balkan countries. There is a very simple reason for this: the stationing of nuclear weapons there does not serve the Soviet defense system. (This system is served, however, by the numerous nuclear weapons it has stationed on the territories of Poland and East Germany). In addition, the area is covered by the Soviet nuclear umbrella and by the now famous Soviet SS-20 missiles. These missiles have been stationed on Soviet territory and, if we are to believe yesterday's telegram from Bonn, their number has increased considerably since last year. There are at this moment 648 nuclear heads aimed at Europe.

Equally simple is the reason for the stationing of nuclear weapons on Greek and Turkish territories. They are there within the framework of the Western defense system and they are part of it.

(It is easy to understand how small our world has become if we take into consideration the fact that the fighting at the end of the Southern Atlantic Ocean has had a direct impact on tourism in Rhodes and Kerkyra).

But equally simple would also be to understand the consequences of a de-nuclearized Balkan peninsula: the Soviet defense system would not change anything; it is the Western defense that would become weaker. Therefore, the East would benefit from this, while the West would lose.

All these things are simple enough for everybody to understand; they are so clear that they cannot be distorted by sentimentalism and organized propaganda.

But if the utopia of a de-nuclearized Balkan should become a reality, the consequences--particularly for Greece--would be great. Greece would very simply find itself outside the protection of the Western defense system. This would happen probably, because the West would not stay and cry over nuclear ruins.... Very simply, the West would adapt its defense system to the new factors that would not include Greece but would include only Turkey. However, since Turkish rapacity is currently the number one danger to our country, who would ever fail to understand the consequences of such a change?

Furthermore, it is impossible to ignore another fact that could be damaging to our country: the fact that we are talking every once in a while about such subjects, even if we are limited to speeches and in particular, unprepared speeches, and even if such statements mean much less than what they really sound like. What is damaging is that such talks increase Western mistrust towards the government, as they foment anti-Western feelings.

Our country would not benefit from such a mistrust. What happens is that benefits that our government would expect to receive following the really serious concessions it has made to the West will be compromised; for example, such concessions included ratification of the protocol for the entry of Spain into the NATO alliance, or the sending of a destroyer to participate in NATO maneuvers commanded by a Turk--just to mention the most recent concessions. It is not only that the government neutralizes by such statements expectations it may have; it also gives anybody the right to accuse it of inconsequence and contradictions; and, there could be many examples of this.

Therefore, dreams for de-nuclearized Balkans do not agree with logic or reality; they belong to utopia.... But, while utopias have never given any benefit to the gentle spirits that conceived them, they have helped those with foresight, who have taken advantage of them to help their plans and their interests.

COAST GUARD VESSEL ATTEMPTS TO FORCE SUB TO SURFACE

Helsinki UUSI SUOMI in Finnish 19 Jun 32 pp 1,8

[Article: "Unidentified Submarine in the Aland Islands; Coast Guard Cutter Drives Away Intruder with Depth Charges"]

[Text] Last Wednesday the Aland Sea Naval Patrol drove an unidentified sub out of the Aland Sea with a warning shot.

The incident occurred in the Aland demilitarized zone.

Coast Guard staff reported the incident on Friday afternoon. According to the dispatch, the incident occurred on Wednesday at 1535 hours.

In accordance with surveillance instructions, the Coast Guard cutter "Kuikka" fired blank charges to drive the sub away. Several charges were needed to drive it away.

According to the Coast Guard, a sub was involved which could not be identified and which was moving south from the Gulf of Bothnia through Finnish territorial waters.

In early June at least two subs were sighted off the Swedish coast. One was offshore of Stockholm and the other along the coast of Umea offshore of Holmsund.

After the Swedish sightings, the Finnish Coast Guard last week announced that it was intensifying its surveillance and patrolling of our national borders.

Swedish Navy staff officers estimate that the sub sailed past Aland via the eastern side of the Market lighthouse. Thus this would be the same sub that appeared on the Swedish side. The Swedes ended their own search at their territorial water boundary.

During the past few weeks several sightings of subs have been made off the coast of Sweden. One sub was searched for as far as the northern part of the Gulf of Bothnia. Last week the Finnish Coast Guard announced that it was intensifying its surveillance and patrolling of our national borders because of the sub sightings in the Gulf of Bothnia.

Demilitarized Aland

The agreement specifying the demilitarization of the Aland Islands was signed as early as 1922. It was later reinforced in different ways in the 1940 Moscow armistice and 1947 Paris peace treaties. According to Lt Gen Kanninen, the armed forces will not comment on the incidents that have occurred in the demilitarized zone.

The naval forces and coastal artillery, which are part of the armed forces, as well as the Coast Guard, which is under the authority of the Interior Ministry, are together responsible for our other sea boundaries.

Serious Infringement

On Friday in Mariehamn, Aland Provincial Governor Folke Woivalin said that this has so far been the most serious infringement of the province's demilitarized status.

"I hope that the temporary violation of the Aland zone that is at issue was not a deliberate action. I have always believed that our demilitarized status was respected," Woivalin said.

Provincial Governor Woivalin regretted that they were unable to identify the sub. "That would have helped us to handle the matter through diplomatic channels," he said.

According to the Coast Guard staff communique, the incident occurred at 1535 hours on Wednesday. On Friday Interior Minister Mikko Jokela said that, not even when pursued, did the sub surface. Jokela said that Coast Guard tracking devices later lost contact with the sub.

On Friday Interior Minister Mikko Jokela (Center Party) described the sub's entrance into Finland's territorial waters as severely condemnable international behavior. He felt that it was regrettable that the ship's nationality appears to be unascertainable.

The incident occurred in the Aland demilitarized zone, which is why the armed forces have not commented on the matter. Chief of General Staff Lt Gen Ermei Kanninen affirmed to the STT [Finnish News Bureau] on Friday that the sector is under the surveillance of the Coast Guard, which is subject to the authority of the Ministry of Interior.

Seppo Kanerva, the chief of the Naval Patrol in the island waters, said that he was particularly pleased that Aland crew members of the Naval Patrol were capable of spotting the underwater intruder.

Commander Kanerva confirmed the fact that the Coast Guard cutter "Kuikka" was, in accordance with Finnish surveillance instructions, able to drop the required blank depth charges so that the sub realized that it had been spotted and thus removed itself from Finnish territorial waters.

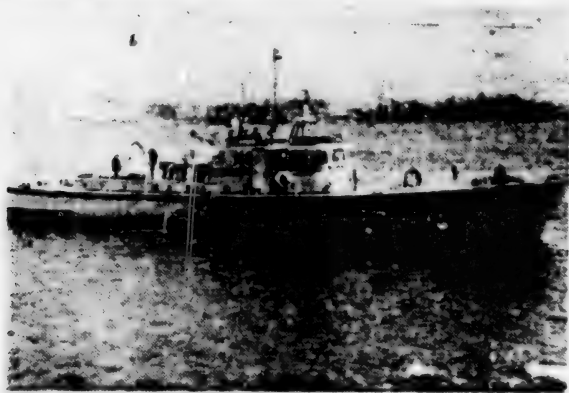
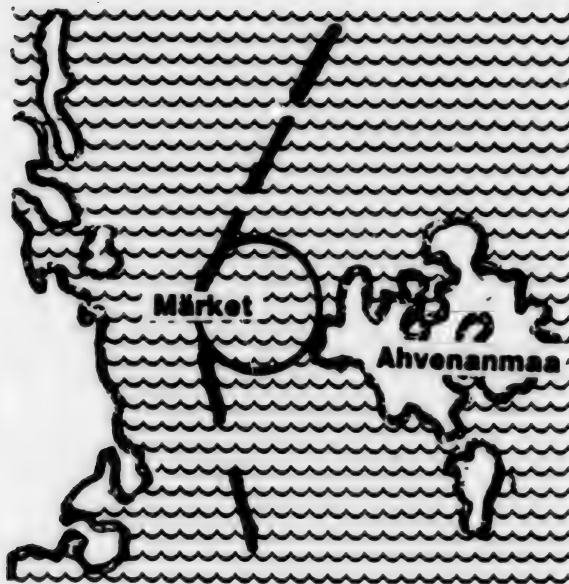
According to surveillance instructions, at least two blank charges must be dropped. According to Kanerva, the "Kuikka" fired several charges.

The Naval Patrol had switched the focal point of its surveillance to the Aland Sea in Swedish territorial waters following the sightings. Commander Kanerva said that the focal point of surveillance would continue to be in the Aland Sea.

Coast Guard Communique

(STT)—"In connection with a naval patrol conducted in the Aland Sea, on Wednesday, 16 June, at 1535 hours an unidentified sub was sighted in Finnish territorial waters. In accordance with the instructions issued to safeguard the inviolability of our territory, the Coast Guard cutter "Kuikka" fired several warning shots to drive the sub away.

"We could ascertain from the sightings that a sub was involved, which could not be identified and which had been moving south through Finnish territorial waters in the Gulf of Bothnia."



The Coast Guard cutter "Kuikka" was built in Helsinki in 1955. It has a displacement of 100 tons. The ship is 29 meters long. The ship has two 1,350-HP engines. The Coast Guard cutter is also equipped with antisubmarine defenses.

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CSO: 3107/143

MILITARY

GREECE

BRIEFS

AIR FORCE JET DISASTER--An Air Force jet crashed yesterday morning at 0830 hours in the region of Androusa in Messinia. The crew, however, used their parachutes and escaped injury. It was announced from Air Force headquarters that a commission of experts headed by an Air Force superior officer has been formed to investigate the causes of the disaster. [Text] [Athens I KATHIMERINI in Greek 23 Jul 82 p 1]

CSO: 4621/454

FRENCH FIRM TO MINE CHROMIUM

Nicosia I SIMERINI in Greek 15 June 82 p 1

[Text] According to reports received by SIMERINI, EME (Hellenic Mines Corporation) has transferred its privileges for the entire mining area of chromium to the French company BRGM. Part of this area comprises the active mines of Kokkinorotsos and Kanoures and the unexploited mines of Mandi, Khandaron and Khatzipavlou.

The EME will terminate totally and permanently its operations in the field of chromium on the 30th of the current month and has already laid off all the workers and office personnel of its chromium operations.

French Geologist

According to the reports received, a French geologist is already on the spot in the chromium mining area and, together with EME geologist, Mr. Andreas Mikhailidis, who has been transferred to the French company BRGM, are prospecting in the area of Khatzipavlos with Diameni rigs and personnel made available to BRGM by EME.

In the meantime, one of those laid off, in statements to SIMERINI, maintains that:

"The EME has offered as justification for the closing of its chromium operations the fact that the exploitation of chromium was unprofitable because of the high operational costs and the low price of chromium ore on the market. The great interest though of the French company (Bureau des Recherches Geologiques Minerales) [Office of Geological and Mineral Research] to carry geological research for the exploitation of the mineral demonstrates absolutely the opposite. In this area huge deposits of chromium ore have been located with up to 50 percent chromium content. On the other hand, in Greece they mine chromium ore with much higher wages and for a lower chromium content (20 percent).

No More Lay-Offs

In the meantime, officials of the EME in statements made yesterday to SIMERINI that yesterday's press reports that the EME is facing a severe cash flow problem do not correspond to the truth and that the firm had obtained a loan of millions abroad at 18 percent interest.

On the other hand, officials of SEK [Confederation of Cypriot Workers], in commenting on the activities of the "Lay-Off Committee" by EME, made a statement to SIMERINI that the SEK agrees with some activities of the committee while it disagrees with others.

The same officials also reported that no more lay-offs are about to be made by EME, explaining that notice had been legally given to the unions for the lay-offs which are presently being mentioned, according to the provisions of the law at the beginning of the year.

In the chromium mines, for example, the same officials added, the miners were laid off as of 13 March and office workers between 22 April and 2 May. The last office workers will be laid off at the end of June. The lay-offs are made according to seniority.

The EME, the same union officials concluded, taking into consideration the suggestions of the labor unions, has employed several miners and will employ others in the plants it is building and at its port at Zygi which began operating 15 days ago.

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CSO:4621/410

GENERAL

CYPRUS

SOVIET CARDIOLOGIST VISIT

Nicosia O AGON in Greek 16 June 82 p 2

[Excerpts] Victor **Sergeiyevich** Savelief, noted Soviet heart surgeon arrived in Cyprus at the invitation of the Cyprus-Soviet Friendship Association.

The prominent Soviet scientist is a member of the Academy of Medical Sciences of the Soviet Union, director of Surgery at the Second Institute of Medicine of Moscow and vice-president of the Surgeons Union of the USSR. He is a specialist in thoracic, abdominal, cardiac surgery and that of the vessels of the digestive tract.

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CSO:4621/410

DATA ON PEO CONSTRUCTION WORKERS UNION

Nicosia KHARAVGI in Greek 16 Jun 82 p 3

[Excerpts] On Sunday 13 June 1982 the Administrative Council and the Sectional Committees of the Building Carpenters and General Laborers of Cyprus, PEO [Pancyprian Labor Federation] met in ordinary session.

The meeting concerned itself with the following subjects:

1. The results of the organizational and economic plan of the union for the 1981 period.
2. The results of the special organizational and economic plan for the period January-April 1982.
3. The course of the PEO collection.
4. The period to be used by the workers in the construction industry for their vacations.
5. The Zionist invasion of Lebanon.

In submitting the estimates of KOG [Central Organizational Office] for the course of the organizational and economic plan of the union, Evangelos Tyrimos, characterized the results as very significant.

In essence, during 1981, 2,815 new members joined the union and the goal was met by 131 percent. Thus, the members enrolled have reached 21,061 of whom 19,736 have been registered with the inspector of unions.

An exceptional job was also done in the economic sector. From a total in contributions of 143,230 Pounds there have been received 149,727 Pounds and the goal was met by 104 percent.

As of 1 January 1981 building contractors have begun to contribute to the Illness Fund of the workers.

At the same time, regulations for the operation of the Fund have been prepared which have begun to grant benefits as of 1 April 1982.

All workers have been given all the anticipated increases which were 2.035 Pounds a week for male workers, 1.735 Pounds for female workers, 1.445 Pounds for the apprentices, 1.735 Pounds for the mechanics, 2.600 Pounds for operators and

carpenters and cabinetmakers 1.155 Pounds and 2.200 Pounds per week respectively.

In addition to the above increases, to the workers of the specialties represented by the union a cost of living of 6 percent was given from 1 January 1981 and 6 percent from 1 July 1981 which corresponds to a total of 3.760 Pounds per week for the technicians, 2.940 Pounds for the laborers, 2.420 Pounds for the female workers and 2.790 Pounds for the apprentices.

During this period, 800 new members were enrolled in the union. 8.785 paid contributions and were connected to the union. 52,301 Pounds in contributions were collected.

Afterwards the meeting addressed itself to the course of the PEO collection for 1982 whose results have been estimated as being very satisfactory. In total there have been collected to date 30,329 Pounds and the union goal was met by 75 percent. All sections have declared that by the end of the collection the goal will be exceeded.

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CSO:4621/410

PASOK WINS OTE ELECTIONS

Athens TA NEA in Greek 12 jun 82 p 12

[Text] The PASKE [Panhellenic Militant Workers Trade Union Movement] coalition obtained an impressive victory in the elections for the designation of representatives of the Federation of OTE [Greek Telecommunications Organization] of the Panhellenic Union of OTE Technicians, which is the largest first-class trade union organization of the country with 13,000 members.

In essence, the coalition of PASKE won 52.4 percent of the vote as against 32.4 percent of the Right, 12.1 percent of the ESAK-S [United Antidictatorial Labor Movement] (KKE) and 2.8 percent of two other coalitions.

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CSO:4621/401

GREEK STUDENTS IN BULGARIA

Athens RIZOSPASTIS in Greek 17 Jun 82 p 2

[Text] Adding their voice for the defense of peace, the Greek university students in the People's Republic of Bulgaria organized a two-day manifestation dedicated to Grigoris Lambrakis.

The first day began with a conference on the subject of "No, to Nuclear War, Yes, to Life." Participating in the conference, where the indignation of progressive youth was expressed against the aggressive policy of imperialism whose efforts are pushing humanity towards a nuclear holocaust, there were also representatives of students from El Salvador, GDR, Cyprus, Afghanistan and Palestine.

Present on the second day was Comrade Spyros Khalvatzis, secretary of the Central Council of KNE [Greek Communist Youth] who was greeted by Giannis Kharatsidis of the Greek Committee for International Detente and Peace, who made reference to the tremendous role played by the committees of our country in safeguarding peace and made a report on the recent mobilization for peace of our people.

In the context of the manifestation, hundreds of leva were collected to aid the people of Palestine and tens of students voluntarily offered blood for the wounded of the dirty invasion of Lebanon by Israel.

The committees of the Schools of the University of Sofia also organized a manifestation dedicated to Nazim Khikmet and the Turkish people, a Greek-Bulgarian friendship evening with the Dimitrof Komsomol, a revolutionary evening with a talk on "The development of biology in contemporary society" with a Bulgarian professor as speaker.

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CSO:4621/401

NEW MILITARY AIRCRAFT TO BE PROCURED

Athens ELEVTHEROTYPIA in Greek 10 Jun 82 p 1

[Text] Greece will obtain one hundred combat aircraft for the needs of our Air Force during the next decade. The cost for the procurement of the aircraft, which the government has approved, amounts to 100 billion drachmai and involves the largest order of military materiel Greece has ever made.

As announced, the combat aircraft chosen to compete in the last phase of the negotiations are: the American F-16 and F-18A, the French "Mirage 2000" and the Anglo-German-Italian coproduction "Tornado."

The procurement program of the 100 new, modern combat aircraft has been approved by the Supreme National Defense Council (ASEA) along with the necessary armament, materiel and support services and with the additional option of increasing the aircraft to 130. At the ASEA meeting, chaired by the premier and minister of National Defense, Mr. Andreas Papandreou, there participated the ministers of Coordination, Mr. Ap. Lazaris, Foreign Affairs, Mr. G. Kharalambopoulos, Public Order, Mr. G. Skoularikis, the deputy minister of National Defense, Mr. G. Petsos, and the Chief of the General Staff of National Defense, admiral Th. Degiannis.

The above was announced yesterday morning by deputy minister for National Defense, Mr. Georgios Petsos, at a conference of military correspondents and he added that the ASEA has empowered the General Staff of the Air Force to negotiate after consultations with the proper government offices (ministries of Coordination, Commerce, banks and Greek Aircraft Industry) for the procurement of the aircraft.

In its negotiations the GEA [Air Force General Staff] will also cover the counterbalancing profits area directly with the manufactures of the F-16, F-18A, "Mirage 2000" and "Tornado" aircraft.

The entire subject, after the completion of the negotiations will be referred again to the ASEA for the final decision. The negotiations will begin immediately because it is the aim of the government to sign the procurement agreement of the new, modern aircraft within the year 1982.

NEW LAW ON TRADE UNIONS VOTED

Athens AKROPOLIS in Greek 19 Jun 82 p 2

[Text] The law, which PASOK called "the democratization of the labor unions" and "the strengthening of the trade union freedoms of the workers" was finally passed. In essence though, it is nothing but an excuse for the legalized take-over of the trade unions by the PASKE [Panhellenic Militant Workers Trade Union Movement], the labor faction of the governing party.

The provisions of the new law, which supersedes the corresponding law 330, sanction the simple proportional as an electoral system in the election of officers in the trade unions, the compulsory enrollment of those who desire it, the abolishment of ODEPES [Organization for the Management of Labor Union Special Funds], allow sympathy strikes, forbid lockouts, etc.

In more detail the new law:

Recognizes the right of enrollment of every worker in two unions: that of the factory and that of the specialty and of every union in the specialty federation or the local Labor Center and of every federation and Labor Center in the corresponding confederation while it insures the enrollment of new members in those instances where the leaderships of the unions did not make the enrollment for various reasons.

Widens the objective of a strike and recognizes sympathy strikes in our country. A provision in the bill which recognized a strike in sympathy with workers of another country as well as the political strike was eliminated because, as Minister of Labor, Mr. Kaklamanis, emphasized, it could lead the labor movement to fractionalization and strong clashes.

Forbids the lockout, the hiring of strike-breakers by the business for the duration of the legal strike of its personnel and the taking of insurance measures in a strike involving a judicial decision.

Gives the right to call a strike to unions of individuals by a vote of the majority of those working in the business and to their administrative councils for a work stoppage of a few hours.

The Simple Proportional

It introduces the simple proportional as an electoral system in the election of officers of the union "so as to make possible the expression of all trends of the labor movement" and sanctions the union electoral card while it does not allow voting by proxy.

It allows the enrollment in the unions of minors and aliens who are legally employed in our country.

Makes compulsory the rehiring of those fired for labor activities.

Permits the representatives of the workers to be present at the inspections for the enforcement of labor law by labor inspectors.

Mr. Kaklamanis

Yesterday, in speaking to the newsmen, about the new law, Minister of Labor, Mr. A. Kaklamanis, said that special provisions of the law promote the clean-up and the democratization of the labor organizations, not by external interventions, that is, by the elimination of the various leaderships, a matter which would be contrary to provision 87 and would make it easier for the labor bosses to make noise at the DGE [ILO] and the Greek Courts, but with democratic internal proceedings, that is, within the same unions, after all workers and unions, which the labor bosses will not allow to join the various federations and Labor Centers and thus show a spurious representation of the workers, have become members.

"The new law," Mr. Kaklamanis continued, "widens the aims of the labor organizations and strengthens an impervious system for their finances so as not to make them dependent on the government, the parties, or the employers."

He concluded:

"In order to stop the fragmentation of the movement, the multiple enrollment, the fraudulent voting and the frauds which we revealed in the Chamber of Deputies, the law determines that every worker can only belong to two organizations--one at his place of work and one of his trade--and that every union can only belong to one federation and one Labor Center. Thus, an end will be put to the practice of certain persons and unions of certain organizations of being members of four, five or more unions, federations, or Labor Centers. In Athens, for example, we have not one, but 22 Labor Centers; in the whole of Greece we have more than 100 federations while in West Germany they have only 16."

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DATE FILMED

August 4, 1982